ANGLOGOLD ASHANTI LTD
Form 6-K
February 09, 2009

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

Report on Form 6-K dated February 9, 2009
Commission File Number 1-14846
AngloGold Ashanti Limited
(Translation of registrant's name into English)
76 Jeppe Street
Newtown, 2001
(P.O. Box 62117, Marshalltown, 2107)
South Africa
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F X Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):
Yes No X
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):
Yes No X
Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes No X

Enclosure: Press release **ANGLOGOLD ASHANTI RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2009 PREPARED IN ACCORDANCE WITH IFRS**

Quarter 4 2008
Report
for the quarter and year ended 31 December 2008
Group results for the quarter….

• Gold production at 1.268Moz up on the prior quarter's performance and ahead of previous market guidance.
• Obuasi in Ghana delivers second consecutive quarter of production improvement, up 7% on the previous quarter as turnaround strategy starts to take effect.
• Uranium production increases 2% to 353,000 pounds.
• Total cash costs at $422/oz for the group, 13% better than previous quarter and 8% below market guidance with South African operations total cash costs at $318/oz, down 23%, while Brazil operations were $100/oz lower at $255/oz.
• Adjusted headline loss was $17m, distorted by annual accounting adjustments which totalled $48m relating to inventory write-downs, current and deferred tax provisions.
• $1.0bn term facility secured to re-finance convertible bond.
• Transaction announced to sell interest in Boddington for an aggregate maximum consideration of up to approximately $1.1bn in January 2009.

… and the year

• Fatalities reduced by 57%, while a 20% improvement has been achieved on all accidents.
• Gold production 4.982Moz – in line with market guidance.
• Total cash costs increased by $87/oz to $444/oz, due to lower production and inflationary pressure, offset partially by weaker local currencies for the latter part of the year.
• Hedge commitments reduced by 5.29Moz or 47% to 5.99Moz - company now better positioned to materially participate in higher spot prices going forward.
• Hedge buy-backs results in an adjusted headline loss of $897m, against an adjusted headline earnings of $278m in 2007.
• Mineral Resource after depletion increased 16% or 33.4Moz to 241.0Moz, while Ore Reserves after depletion increased 2% to 74.9Moz – prior to Boddington sale.
• Final dividend declared at 50 South African cents per share or 5 US cents per share, resulting in a total dividend of 100 South African cents or 11 US cents per share for the year.

Quarter
Year
Quarter
Year
ended
ended
ended
ended
ended
ended
ended
ended
Dec
Sep
Dec

Dec
Dec
Sep
Dec
Dec
2008
2008
2008
2007
2008
2008
2008
2007
Restated
Restated
SA rand / Metric
US dollar / Imperial
Operating review
Gold
Produced
- kg / oz (000)
39,429
39,336
154,958
170,365
1,268
1,265
4,982
5,477
Price received
1
- R/kg / $/oz
219,329
160,127
130,522
142,107
687
644
485
629
Price received normalised for
accelerated settlement of non-hedge
derivatives
1
- R/kg / $/oz
219,329
160,127
185,887
142,107
687
644

702
629
Total cash costs
- R/kg / $/oz
134,813
121,440
117,462
80,490
422
486
444
357
Total production costs
- R/kg / $/oz
172,312
152,945
150,149
107,415
540
612
567
476
Financial review
Gross profit (loss)
- Rm / $m
2,187
851
939
(1,309)
390
186
594
(248)
Gross profit (loss) adjusted for the gain
(loss) on unrealised non-hedge
derivatives and other commodity
contracts
2
- Rm / $m
1,241
184
(2,945)
5,893
125
28
(384)
835
Adjusted gross profit normalised for
accelerated settlement of non-hedge
derivatives
2

- Rm / $m
1,241
184
5,072
5,893
125
28
626
835
(Loss) profit attributable to equity
shareholders
- Rm / $m
(11,869)
(247)
(16,105)
(4,269)
(1,016)
51
(1,195)
(668)
Headline earnings (loss)
3
- Rm / $m
516
(298)
(4,375)
(4,136)
234
44
(30)
(648)
Headline (loss) earnings adjusted for
the gain (loss) on unrealised non-
hedge derivatives and other commodity
contracts and fair value adjustments on
convertible bond
4
- Rm / $m
(178)
(956)
(7,197)
1,971
(17)
(119)
(897)
278
Capital expenditure
- Rm / $m
2,994
2,623
9,905

7,444
302
338
1,201
1,059
(Loss) profit per ordinary share
- cents/share
Basic
(3,335)
(71)
(5,077)
(1,517)
(285)
15
(377)
(237)
Diluted
(3,335)
(71)
(5,077)
(1,517)
(285)
15
(377)
(237)
Headline
3
145
(86)
(1,379)
(1,470)
66
13
(9)
(230)
Headline (loss) earnings adjusted for
the gain (loss) on unrealised non-
hedge derivatives and other commodity
contracts and fair value adjustments on
convertible bond
4
-
cents/share
(50)
(275)
(2,269)
700
(5)
(34)
(283)
99

Notes:

1. Refer to note C "Non-GAAP disclosure" for the definition.

2. Refer to note B "Non-GAAP disclosure" for the definition.

3. Refer to note 9 "Notes" for the definition.

4. Refer to note A "Non-GAAP disclosure" for the definition.

$ represents US dollar, unless otherwise stated.

Rounding of figures may result in computational discrepancies.

Global Footprint

AngloGold Ashanti is a global company…

…with an extensive portfolio of new and emerging opportunities.

China

DRC

Russia

Operations **at a glance**

for the quarter ended 31 December 2008

Production

Total cash costs

Gross profit (loss) adjusted
for the gain (loss) on
unrealised non-hedge
derivatives and other
commodity contracts
1

%

%

%

oz (000)

Variance
2

$/oz

Variance
2

$m

Variance
2

Mponeng
144
(12)
222
(23)
60
20

AngloGold Ashanti Mineração
83
-
234
(29)
27
50

Kopanang
91
8
310
(26)
24
200

Cripple Creek & Victor
78
24
322
-
20
67

Moab Khotsong

71
4
317
-
12
500
Morila
3, 4
47
24
385
(17)
11
120
Siguiri
3
81
13
478
(9)
10
67
Sunrise Dam
85
(26)
486
(21)
9
190
Great Noligwa
63
(2)
452
(25)
8
367
TauTona
70
(11)
325
(27)
7
(59)
Serra Grande
3
24
20
260
(20)
7
40

Sadiola
3, 4
49
20
386
(3)
5
25
Savuka
18
20
255
(58)
4
100
Iduapriem
57
14
577
2
3
400
Yatela
3, 4
16
(11)
561
(11)
3
100
Cerro Vanguardia
3
56
30
464
(30)
2
113
Tau Lekoa
36
(5)
478
(16)
2
200
Navachab
20
18
512
(5)
2

100
Obuasi
98
7
712
5
(33)
(50)
Geita
52
(30)
921
32
(58)
(32)
Other
27
8
18
100
Sub-total
1,268
-
422
(13)
143
286
Less equity accounted investments
(18)
100
AngloGold Ashanti
125
347
1
Refer to note B "Non-GAAP disclosure" for the definition.
2
Variance December 2008 quarter on September 2008 quarter - increase (decrease).
3
Attributable.
4
Equity accounted investments.
Rounding of figures may result in computational discrepancies.

Financial and **operating review**

OVERVIEW FOR THE QUARTER AND YEAR

FOURTH QUARTER

Five employees were fatally injured during the quarter, with four accidents occurring in the South African region and one at Obuasi in Ghana. This brings the total number of fatalities to 14 for 2008, against 34 fatal accidents in 2007. This is equivalent to a fatal injury frequency rate (FIFR) of 0.09 per million hours worked for the year, against 0.21 for 2007, representing a 57% improvement and is the lowest rate that the company has ever recorded.

The LTIFR rate for the year ended 11% lower than that recorded in 2007, while a 20% year-on-year improvement has been achieved on all injuries. AngloGold Ashanti remains committed to a continuing focus on raising safety standards and achieved this quarter, its commitment of having all its mining operations OHSAS 18001 compliant. In addition, its South African metallurgical plants and the Tropicana exploration project in Australia also achieved certification.

Gold production for the fourth quarter was marginally higher than market guidance at 1.27Moz, reflecting improved performance across all assets, with the exception of Geita. Total cash costs at $422/oz, was 13% lower than the previous quarter, primarily due to once-off ore stock pile movements not repeating during the fourth quarter, weaker local currencies and reduced fuel costs.

The South African operations were 3% lower at 16,185kg, primarily due to lower production from Mponeng which was constrained by face-length flexibility and vamping activities. Despite the lower gold production, total cash costs reduced 1% to R101,675/kg following lower summer power tariffs and delivery of cost saving initiatives. Savuka and Kopanang had solid quarters with gold production up 18% and 8% respectively, while Moab Khotsong continues to build-up production flexibility, up 3% for the quarter. The South African operations continue to provide currency leverage to a weakening Rand, and dollar denominated total cash costs closed 23% lower at $318/oz, with operational free-cashflow increasing significantly from $52m to $118m.

Uranium production increased 2% during the quarter to 353,000 pounds, and 629,000 pounds of uranium was on hand and at the converters at year-end. Total uranium production for the year was 4% higher than the prior year at 1.3m pounds, notwithstanding the power related production stoppages earlier in the year. Following the cancelling of some uranium contracts during the year, the company is poised to achieve greater exposure to spot uranium prices in 2009.

The other African assets also had solid performances. Production from the Ghanaian operations increased by 9% to 155,000oz, with both Obuasi and Iduapriem growing production for the second consecutive quarter.

Siguiri in Guinea saw production 13% higher at 81,000oz following improved plant availability with total cash costs reduced by 9%. The Malian operations increased production by 15% and reduced total cash costs by 12% to $411/oz. Production at Navachab in Namibia was 18% higher at 20,000oz and total cash costs 5% lower at $512/oz. Geita in Tanzania had a difficult quarter, affected by SAG mill breakdowns, which resulted in production reducing 30% to 52,000oz and consequently, total cash costs increasing 32%. The Americas also delivered solid results, with Cerro Vanguardia in Argentina increasing production by 30% to 56,000oz, consistent with the steps taken in the prior quarter to rectify plant constraints. Total cash costs consequently reduced 30% to $464/oz, and operational free cashflow increased to $7m from a loss in the previous quarter of $10m.

The Brazilian operations saw production 5% higher at 108,000oz, led by Serra Grande with improved gold production, higher throughput and improved grades. Total cash costs for Brazil was significantly lower at $255/oz, assisted by the higher gold production, improved cost management and a weakening local currency. Operational free-cashflow increased 83% to $42m for the quarter. Production at CC&V in the USA was 24% higher at 78,000oz, while total cash costs were flat at $322/oz, with operational free cashflow increasing 47% to $25m.

The company continued to execute its hedge reduction strategy and further reduced hedge commitments from 6.30Moz to 5.99Moz at 31 December 2008, while the net delta hedge position reduced 0.57Moz for the quarter to 5.22Moz. This brings the total year's reduction of hedge commitments to 5.29Moz or 47% for the year, while the net delta reduced by 5.17Moz or 46%. The company is now better positioned to participate in higher spot prices going forward.

During the quarter the received price of $687/oz was 7% higher than the previous quarter and 13.6% below the average spot price. This compares favourably with the previous quarter where the discount to spot was 26%. The adjusted headline loss was $17m, distorted by annual accounting adjustments (net of tax) aggregating $48m which included write-downs of Geita stockpiles ($19m) and stores in Continental Africa ($21m) and current and deferred tax provision ($8m).

During the quarter, the company recorded exceptional asset impairment charges aggregating $1.25bn (net of tax) in relation to the former Ashanti assets (comprising Obuasi, Geita and Iduapriem) and certain other investments and sundry assets. This adjustment which is of a non-cash nature is based on assumptions relating to market conditions which include the lower gold forward curve, higher discount rates, higher power tariffs in Ghana and reduced reserves at Geita. The asset impairment charges are excluded from both headline and adjusted headline earnings.

On 21 November 2008, AngloGold Ashanti announced the signing of a $1bn term facility agreement with Standard Chartered Bank to refinance its convertible bond. The Term Facility is available to be drawn during February 2009 for the purpose of repaying the $1bn convertible bond due on 27 February 2009. The Term Facility is for an initial one year period from the date of the first drawdown in February 2009 but may be extended, if required, at the option of AngloGold Ashanti until 30 November 2010. The covenant terms of the Term Facility are similar to those of AngloGold Ashanti's existing $1.15bn Revolving Credit Facility, save that the amounts drawn under the Term Facility will bear an interest margin of 4.25% for the first six months after the first drawdown and 5.25% thereafter.

On 15 December 2008 the company announced the purchase of São Bento Gold Company Limited ("SBG") and its wholly-owned subsidiary, São Bento Mineração S.A. ("SBMSA") from Eldorado Gold Corporation ("Eldorado") for a consideration of $70m. The purchase price was settled through the issuance of 2,701,660 AngloGold Ashanti shares. The purchase of SBG and SBMSA gives AngloGold Ashanti access to the São Bento mine, a gold operation located in the immediate vicinity of AngloGold Ashanti's proposed Córrego do Sítio mine in Brazil. The acquisition of the São Bento mine provides AngloGold Ashanti with the potential to double the scale of the proposed Córrego do Sítio mine, which once developed will significantly enhance AngloGold Ashanti's Brazilian asset base.

YEAR

The company’s total Mineral Resource before depletion increased by 40.5Moz for the year. After depletion, this represents an increase of 33.4Moz, from 207.6Moz in 2007 to 241.0Moz in 2008. The largest single resource increase came at La Colosa in Colombia, where 12.3Moz were delineated by the exploration team. Significant other additions include 7.9Moz at Mponeng, 3.9Moz at Obuasi following exploration work below 50 level, 1.6Moz at Boddington, 1.8Moz at Savuka, 1.4Moz at Iduapriem, 1.2Moz at CC&V following successful exploration and work completed on the mine life extension project, and 1.2Moz at Sadiola.

In 2008, AngloGold Ashanti recorded an increase in total ore reserves before depletion of 7.7Moz. After depletion, this represents a 2.5% increase year-on-year, from 73.1Moz in 2007 to 74.9Moz in 2008. Significant additions included 2.8Moz at Mponeng, 1.3Moz at Obuasi due to revised mine design and schedule, 1.1Moz at Boddington due to successful drilling and at Siguiri 0.6Moz, where the resources were upgraded from inferred to indicated at the Seguelen NW and Sintroko deposits due to improved mining efficiencies.

Production for 2008 declined 9% to 4.98Moz, but within market guidance. South African production declined 230,000oz, primarily as a result of the power shortages experienced in South Africa and safety stoppages. Post the January 2008 power shortage incident, no further constraints were experienced during the year and the company is now operating at 100% capacity, while utilising 93% of its original power allocation in South Africa.

Production at Sunrise Dam was 167,000oz lower as anticipated following the completion of mining the high grade zone in the MegaPit, and production at Geita was 63,000oz lower following mill breakdowns. Cerro Vanguardia also had a difficult year with production 50,000oz lower, due to lower feed grades and problems associated with the agitators in the leach tanks in the first half of the year. Encouragingly, Ghana posted a 6% increase in production, while the Brazil operations maintained their solid performance.

Total cash costs for 2008 increased by $87/oz to $444/oz, primarily as a result of the 9% lower gold production and cost escalation on wages and consumables, offset partially by weaker local currencies during the latter part of the year.

Combined with the hedge buy-backs during the year, the adjusted headline earnings reduced from $278m in 2007 to a loss of $897m for 2008.

A dividend of 50 South African cents (5 US cents) per share was declared for the six months ended 31 December 2008. This represents a similar dividend payout as per the interim year declaration, resulting in a total dividend for the year of 100 South African cents (approximately 11 US cents) per share.

Post quarter end, on the 27 January 2009 the company announced the sale of its 33.33% interest in Boddington Mine to Newmont Mining Corporation for an aggregate consideration of up to approximately $1.1 billion. The transaction includes a cash payment of $750m upon closing; $240m due on 31 December 2009 in either cash or shares and quarterly royalty payments to a maximum of $100m based on a specified cash operating margin being achieved. All capital expenditure incurred from 1 January 2009 is also to be reimbursed.

Boddington Mine was under development during the course of 2008 and is scheduled to come into production during the course of 2009. As at the 31 December 2008, Boddington had attributable reserves of 6.7Moz and Mineral Resources of 11.9Moz.

Production for 2009 is expected to be within a range of 4.9Moz to 5.0Moz, and total cash costs are anticipated to be between $435/oz and $450/oz, based on the following exchange rate assumptions: R9.75/$, A$/$0.675, BRL2.25/$ and the Argentinean peso 3.65/$. Capital expenditure for the year is estimated to be approximately $840m, and will be managed in line with profitability and cashflow.

Production for the first quarter of 2009 is estimated to be 1.13Moz at an average total cash costs of between $440/oz and $450/oz, assuming the following exchange rates: R9.75/$, A$/$0.66, BRL2.25/$ and Argentinean peso 3.50/$. Capital expenditure is estimated at $220m.

The table below provides guidance for the year in respect of forecast ounces and total cash costs for 2009.

	Forecast Production Ounces (000)*	**Expected Cash Cost $/oz****
Great Noligwa	220	460 - 480
Kopanang	400	275 - 295
Tau Lekoa	150	455 - 475
Moab	300	280 - 300
VR Surface	115	360 - 380
TauTona	295	330 - 350
Savuka	65	440 - 460
Mponeng	530	260 - 280
Navachab	70	430 - 450
Morila	130	550 - 570
Yatela	90	

440
- 460
Sadiola 130
495
- 515
Siguiri 300
495
- 515
Obuasi 400
620
- 640
Iduapriem 200
540
- 560
Geita 315
800
- 820
Cripple Creek
280
350 - 370
Serra Grande
80
340 - 360
AngloGold Ashanti Brazil
320
280 - 300
Cerro Vanguardia
160
410 - 430
Sunrise Dam
410
530 - 550
Total
4.9 – 5.0
435 - 450

* Attributable production
** Assumes the following exchange rates to the US dollar: R9.75/$, A$/$0.675, BRL2.25/$ and the Argentinean peso 3.65/$

OPERATING RESULTS FOR THE QUARTER

SOUTH AFRICA

At **Great Noligwa**, following the transfer of the upper level high-grade SV4 section to Moab Khotsong during the third quarter, production remained steady at 1,969kg (63,000oz). However, total cash costs were 4% lower at R144,190/kg ($452/oz), primarily due to higher by-product contribution and lower power tariffs.

The adjusted gross profit was R78m ($8m) against a loss of R28m ($3m) in the previous quarter. This was mainly as a result of the higher gold price received.

The Lost-Time Injury Frequency Rate (LTIFR) improved to 12.11 lost-time injuries per million hours worked (12.52 for the previous quarter)

Kopanang had a solid quarter with gold production up 8% to 2,827kg (91,000oz), following increased mining volumes resulting from improved face length and higher grade tonnage delivered to the plant.

Total cash costs were 5% lower at R99,050/kg ($310/oz) on the back of higher gold production. The adjusted gross profit was R240m ($24m), compared with the R57m ($8m) in the previous quarter, due to the higher price received and higher gold production.

The LTIFR was 12.25 (11.86).

The build-up at **Moab Khotsong** continues with gold production up 3% at 2,194kg (71,000oz), following increased tonnage throughput, partially offset by mining mix which adversely affected the grade.

Total cash costs were 28% higher at R101,180/kg ($317/oz), primarily due to lower underground inventory lock-ups, partially offset by the higher gold production. The adjusted gross profit was R114m against a loss of R27m in the prior quarter, primarily due to the higher gold price received and improved production.

The LTIFR improved 28% to 9.18 (12.83). Regrettably, there was one fatal accident during the quarter.

At **Tau Lekoa**, gold production was 6% lower at 1,105kg (36,000oz), following the loss of three production shifts to safety stoppages and maintenance. As a result, total cash costs increased 7% to R152,541/kg ($478/oz), while the adjusted gross profit was R22m ($2m) against a loss of R16m ($2m) in the previous quarter. The favourable movement is attributed to an improved gold price received, partially offset by the lower gold production.

The LTIFR improved 16% to 12.38 (14.82).

Gold production from the **Vaal River Surface Operations** was the highest achieved for the year, with production of 848kg (27,000oz), 10% higher quarter-on-quarter mainly due to increased tonnage throughput to ensure maximum plant capacity. On the back of the higher gold production, total cash costs were 9% lower at R116,749/kg ($366/oz).

Adjusted gross profit was R62m ($5m) higher at R81m ($8m), mainly as a result of a higher gold price received and improved total cash costs.

The LTIFR was 0.56 (1.08).

Gold production at **Mponeng** was 12% lower at 4,492kg (144,000oz) against the prior quarter, but the mine has for the fourth consecutive quarter exceeded its plan. Gold production decreased quarter-on-quarter due to reduced mining volume constrained by face length and lower vamping activities.

Despite the lower gold production, total cash costs improved 2% to R71,022/kg ($222/oz), primarily due to the lower power tariffs and a favourable inventory adjustment due to an increase in lock-up tonnes.

The adjusted gross profit was R212m higher than the previous quarter at R594m ($60m). This was due to higher gold price received, partially offset by lower gold production.

The operation regrettably recorded one fatality for the quarter and the LTIFR was 12.66 (12.21).

Savuka had a solid quarter with gold production 18% higher at 566kg (18,000oz), mainly due to improved drilling and blasting, vamping and improved mining mix. Total cash costs reduced significantly to R81,339/kg ($255/oz), the result of higher gold production, lower operating costs following savings initiatives and lower power tariffs.

The adjusted gross profit was R24m ($2m) higher at R42m ($4m), due to the higher gold price received, improved production and lower total cash costs.

The LTIFR improved to 12.35 (14.27).

Gold production at **TauTona** was 11% lower at 2,184kg (70,000oz) following reduced mining volume due to safety concerns. Despite the lower gold production, total cash costs decreased 6% to R103,961/kg ($325/oz), the result of lower power tariffs and costs saving initiatives.

The adjusted gross profit reduced to R72m ($7m), against R130m ($17m) in the prior quarter.

The LTIFR was 15.44 (12.49). Regrettably, there were two fatal accidents during the quarter.

ARGENTINA

At **Cerro Vanguardia** (92.5% attributable) production rose 30% to 56,000oz due to higher yield and increased volume, both the consequence of action taken to resolve plant constraints experienced during 2008. Total cash costs decreased 30% to $464/oz as a result of local currency depreciation, higher gold produced, higher silver by-product contribution, as well as lower costs in respect of equipment maintenance and contractors.

The adjusted gross profit was $2m, against a loss of $15m in the prior quarter, as a result of higher gold sold, improved received price and lower costs.

The LTIFR was 3.49 (1.56).

AUSTRALIA

Gold production at **Sunrise Dam** reduced 26% as anticipated to 85,000oz, following the completion of mining in the MegaPit during the previous quarter. Total cash costs, however, only increased 3% to A$721/oz ($486/oz), with lower handling costs partially offsetting the reduced gold production.

The adjusted gross profit was A$13m ($9m), against a loss of A$12m ($10m) in the prior quarter.

The LTIFR remained 0.00 (0.00).

BRAZIL

Gold production at **AngloGold Ashanti Brasil Mineração** was steady at 83,000oz. Total cash costs decreased 29% to $234/oz primarily due to local currency depreciation and lower fuel costs.

The adjusted gross profit was $27m, against $18m in the previous quarter, reflecting the higher received price and lower costs.

The LTIFR was 3.24 (2.67).

At **Serra Grande**, (50% attributable) gold production increased 20% to 24,000oz, resulting from improved throughput and grade. Total cash costs decreased 20% to $260/oz, primarily due to local currency depreciation and higher gold production.

The adjusted gross profit was $7m, against the previous quarter's $5m.

The LTIFR was 1.46 (1.60).

GHANA

Obuasi, for the second consecutive quarter, increased gold production to 98,000oz, 7% higher than the previous quarter. The turnaround project continues with an increase in development metres to improve mining flexibility and improved metallurgical recoveries, resulting in both throughput and yield improving. Total cash costs increased by 5% to $712/oz, due to once-off consumable write-offs, partly offset by lower fuel prices and reduced power consumption.

The adjusted gross loss was $33m, resulting from the increase in cash operating costs.

The LTIFR was 4.40 (1.18). Regrettably, there was one fatal accident during the quarter.

At **Iduapriem** gold production increased for the second consecutive quarter, up 14% to 57,000oz, following improved plant availability that increased tonnage throughput 10% and yield was 2% higher following improved mining mix. Total cash costs increased by 2% to $577/oz mainly as a result of an increase in waste stripping costs in line with the mining plan, partially offset by the higher gold production.

An adjusted gross profit of $3m was achieved, against a loss of $1m in the previous quarter.

LTIFR was 3.33 (1.46)

REPUBLIC OF GUINEA

At **Siguiri** (85% attributable) production increased 13% to 81,000oz as a result of improved plant availability and utilisation. Total cash costs decreased to $478/oz as a result of the higher production, lower fuel prices and local currency depreciation.

The adjusted gross profit increased to $10m as a result of the increase in production, higher gold price received and decrease in total cash costs.

LTIFR was 0.58 (0.57)

MALI

Gold production at **Morila** (40% attributable) was 24% higher than the previous quarter at 47,000oz due to a 24% increase in recovered grade, following higher grade material available from Pit 4N. Total cash costs were 17% lower at $385/oz, on the back of the higher gold production, lower reagent and fuel costs.

Adjusted gross profit of $11m was double that of the previous quarter.

The LTIFR was 0.00 (0.00).

At **Sadiola** (38% attributable), production was 20% higher at 49,000oz due to a combination of increases in both tonnage throughput and yield. Tonnage throughput was favourable as a result of improved plant availability, while better feed grades improved yield, as a result of processing a higher percentage of sulphide ore. Total cash costs decreased to $386/oz as a result of lower fuel prices and increased production, partly offset by a once-off mining contractor expenses.

Adjusted gross profit increased to $5m primarily as a result of the increased production and lower fuel prices.

The LTIFR was 0.83 (0.91).

Production at **Yatela** (40% attributable) decreased by 11% to 16,000oz due to a decrease in recovered grade, as a result of stacking lower grade marginal ore in the previous quarter. Despite the lower gold production, total cash costs decreased by 11% as a result of lower fuel prices, reduced reagents consumption and a stronger US dollar, offsetting the impact of the lower gold production.

The adjusted gross profit was $3m, against break-even in the previous quarter, primarily due to the higher received price and lower total cash costs.

The LTIFR was 0.00 (4.76).

NAMIBIA

Gold production at **Navachab** increased 18% to 20,000oz, as both throughput and yield improved. Tonnage throughput was higher following the implementation of continuous shifts, while improved grade control allowed for improved delineation of higher grade blocks from the North pit 2 area. Consequently, total cash costs reduced 5% to $512/oz.

The adjusted gross profit was $2m, against $1m in the previous quarter.

The LTIFR remained 0.00 (0.00).

TANZANIA

At **Geita**, gold production was 30% lower than the previous quarter at 52,000oz due to a reduction in grade and tonnage throughput following the breakdown of the SAG mill. Total cash costs were consequently 32% higher at $921/oz.

Adjusted gross loss was $14m lower at $58m.

The LTIFR was 0.80 (1.63).

NORTH AMERICA

At **Cripple Creek & Victor**, (100% ownership effective 1 July 2008) gold production increased 24% to 78,000oz due to pad phase timing. Total cash costs were on par with that of the previous quarter at $322/oz, with higher production and lower royalties offsetting increased lime requirements.

The adjusted gross profit was $20m against $12m in the prior quarter.

The LTIFR was 9.81 (0.00).

Notes:

- All references to price received includes realised non-hedge derivatives.
- In the case of joint venture and operations with minority holdings, all production and financial results are attributable to AngloGold Ashanti.
- Rounding of figures may result in computational discrepancies.

Review of the gold market

The ‘deleveraging’ that started with the collapse of Lehman Brothers continued into the fourth quarter as financial markets struggled to come to terms with the extent of the crisis and its global impact. Continued liquidation took place across all metals and commodities including gold. Having peaked at $910/oz in early October, the liquidation on the COMEX over the ensuing month of almost 8Moz took the price down to the lows of the quarter of $710/oz by early November. It is possible that the extent of this decline was exacerbated by market participants who took advantage of the ease with which gold can be used as a short-term funding mechanism.

Despite falling over $200/oz during the quarter, gold outperformed all of the other metals and oil. The sell off to around $700/oz represented a decline of just over 30% from the year’s high, whereas on a similar basis, platinum lost 68%, copper 67%, nickel 73% and the oil price plunged 77%.

In November speculative interest returned to gold, partly due to another wave of US dollar weakness but also on hopes that another cut in production from OPEC would lift the oil price and that this would in turn support the gold price.

This rally was sustained through December when commodities in general started to stage a recovery. In addition, gold started to benefit from safe haven buying once again as analysts began to highlight the potential inflationary impact of all of the co-ordinated global activities of liquidity injections, stimulus packages and interest rate cuts. During the month of December the gold price rallied 14%, ending the year at $878/oz.

The gold price averaged $872/oz in 2008, 24% higher than the average for 2007 of $703/oz. The average price during the fourth quarter was $795/oz, marginally higher than the average price during the fourth quarter of 2007 of $788/oz.

Investment Market

ETF holdings continued to grow during the period under review, against the general trend in other investment vehicles. This is indicative of the fact that ETF investors tend not to be driven by short-term price movements or speculative opportunities but are rather longer-term investors who see gold as a hedge against inflation or a portfolio diversifier. Total holdings at year end were some 38Moz. Holdings increased during the quarter by some 3Moz, including over 600,000oz invested in a new exchange traded fund listed on the German Stock Exchange.

Producer Hedging

Very little activity took place in this area during the quarter and in comparison to the volatility experienced in international markets, the relatively small movements in the global hedge book were not a significant driver of price or market sentiment.

Physical Demand

The retail sector and particularly the luxury goods market suffered globally as a result of the credit squeeze and fears of recession. The gold jewellery market, which accounts for some 70% of physical demand, was affected by this trend, particularly in the US and in Europe, where jewellery is purchased as an adornment, rather than as an investment product.

The exception to this trend was China, where jewellery sales continued at similar level as the comparable period in 2007. However many Chinese exporters of consumer goods have seen a drop in sales and it is likely that the internal consumption market for jewellery will suffer as the effects of this decline filter into the Chinese economy. The first quarter of the year, in particular the Chinese New Year period in late January, is typically a period of peak demand, but it is likely that consumption will slow down in March as retailers restock cautiously.

Investment demand, in the form of bars and coins, has increased dramatically in China over the recent period and 2008 is likely to show an increase of over 100% year-on-year when official figures are released later in the year. The reasons for the increase relate to concern over other investment vehicles, particularly housing and the stock exchange, but also the traditional view of gold as a hedge against inflation and a safe haven in times of economic uncertainty.

The US market was hard hit by concerns over the economy and sales were down in all sectors of the market. In parallel, higher gold prices have driven retailers to stock alternative jewellery products, using for example gold plating or gold and silver in combination, in order to maintain price points.

Sales during the fourth quarter, which typically account for around 40% of jewellery sales annually, were at significantly lower levels, even in comparison to the lacklustre fourth quarter experienced in 2007. However, stocks are also at record low levels, and it is possible that there will be some revival in demand in the early part of 2009 as retailers restock.

Economic uncertainty also affected the Middle Eastern market, particularly in tourist destinations such as Dubai. The local retail trade in the Gulf Region declined as well as the tourist sector. As consumer spending slowed and the impact of stock exchange falls took its toll, spending on discretionary and luxury goods including jewellery, was affected.

Egyptian demand remained healthy despite high local gold prices (as the Egyptian Lira weakened against the US dollar). In contrast, demand in Turkey, where local gold prices also rose significantly but where the effects of the global economic crisis were more apparent, experienced significant weakness during the quarter, in both the jewellery as well as the coin sector. Fabrication demand in Turkey declined (Turkey is a major exporter of gold jewellery to the US and as such was affected by the downturn in US jewellery sales).

In India, where jewellery purchases have a quasi-investment characteristic, the third quarter had shown some revival in jewellery sales, after dampened demand in the first half of the year, due to the lower and more stable price as well as expectations of an eventual gold price increase.

In the fourth quarter, however, buying slowed as prices rose once again. Fabrication demand (jewellery manufactured for export as well as for local consumption) also showed a slight decrease in comparison to the preceding period. If the second half of the year is viewed as a whole, however, fabrication demand still shows a significant increase, in the order of approximately 50%, over the same period in 2007.

Official Sector Sales

The current Central Bank Gold Agreement (CBGA) entered its fifth and final year in September 2008. Central Bank sales in the first quarter of the final year of the agreement however reached only 50t, against a quota of 500t for the full year, which seemed unlikely to be met.

Currencies

The Rand, Australian dollar and Brazilian Real all came under pressure from the deleveraging that occurred across other asset classes. In the case of the Rand and the Australian dollar, the decline was particularly severe in October, when they lost 34% and 26% respectively against the US dollar.

Both of these currencies recovered somewhat during the remainder of the quarter but never regained their initial levels. The Rand closed the quarter at $/R9.455 which represents a depreciation of 14% over the quarter and the Australian dollar closed at A$/$0.69, a depreciation of 14%.

The Brazilian Real experienced the same sell off during October as did all emerging market currencies, however unlike the Rand, it did not stage any form of sustained recovery through the balance of the quarter. The Real closed at $/BRL 2.34 which represented a decline over the quarter of 21%.

Hedge position

HEDGE POSITION

As at 31 December 2008, the net delta hedge position was 5.22Moz or 162t (at 30 September 2008: 5.79Moz or 180t), representing a further reduction of 0.57Moz for the quarter. The total commitments of the hedge book as at 31 December 2008 was 5.99Moz or 187t, a reduction of 0.31Moz from the position as at 30 September 2008.

The marked-to-market value of all hedge transactions making up the hedge positions was a negative $2.68bn (negative R25.36bn), decreasing by $0.29bn (R0.80bn increase) over the quarter. The marked-to-market value after the credit risk adjustment of all hedge transactions making up the hedge positions was a negative $2.46bn (negative R23.25bn). This value was based on a gold price of $872.15/oz, exchange rates of R9.455/$ and A$/$0.6947 and the prevailing market interest rates and volatilities at that date.

The company's received price for the fourth quarter was $687/oz, 13.6% below the average spot price for the same period.

During the course of 2008, the hedge book has been reduced by 5.17Moz on a delta basis and the committed ounces have reduced by 5.29Moz.

As at 6 February 2009, the marked-to-market value before the credit risk adjustment of the hedge position was a negative $2.94bn (negative R28.97bn), based on a gold price of $913.50/oz and exchange rates of R9.840/$ and A$/$0.6528 and the prevailing market interest rates and volatilities.

These marked-to-market valuations are in no way predictive of the future value of the hedge position, nor of future impact on the revenue of the company. The valuation represents the theoretical cost of closing all hedge contracts at the time of valuation, using prevailing market prices and rates.

The following table indicates the group's commodity hedge position at 31 December 2008.

Year
2009
2010
2011
2012
2013
2014-2016
Total

DOLLAR GOLD
Forward contracts
Amount (kg)
*(5,960)
8,354
11,765
11,944
9,518
2,845
38,466
US$/oz
$1,199 $204
$383
$404
$408 $510 $467
Put options sold
Amount (kg)
4,043
4,226
3,048
1,882
1,882
1,882
16,963
US$/oz
$671 $708
$533
$430
$440 $450 $579
Call options sold
Amount (kg)
14,805
33,394
38,312
24,461
17,857
22,067
150,896
US$/oz
$442 $537
$530
$622
$601 $606 $557
RAND GOLD
Forward contracts
Amount (kg)
*(1,866)
*
(1,866)
Rand per kg
R157,213

R157,213
A DOLLAR GOLD
Forward contracts
Amount (kg)
280
3,110
3,390
A$ per oz
A$852
A$652
A$669
Call options purchased
Amount (kg)
1,244
3,110
4,354
A$ per oz
A$694
A$712
A$707
Delta
(kg)
(4,501) (36,523)
(44,466)
(31,629)
(24,106) (20,998) (162,223)
** Total net gold:
Delta (oz)
(144,720)
(1,174,250)
(1,429,620)
(1,016,910)
(775,040)
(675,070)
(5,215,610)
*
Indicates a net long position resulting from forward purchase contracts.
**
The Delta of the hedge position indicated above is the equivalent gold position that would have the same marked-to-market sensitivity for a
small change in the gold price. This is calculated using the Black-Scholes option formula with the ruling market prices, interest rates and
volatilities as at 31 December 2008.
Rounding of figures may result in computational discrepancies.

The following table indicates the group's currency hedge position at 31 December 2008
Year
2008
2009
2010
2011
2012
2013-2016
Total
RAND DOLLAR (000)
Put options purchased
Amount ($)
30,000
30,000
US$/R
R11.56
R11.56
Put options sold
Amount ($)
50,000
50,000
US$/R
R9.52
R9.52
Call options sold
Amount ($)
50,000
50,000
US$/R
R11.61
R11.61
A DOLLAR (000)
Forward contracts
Amount ($)
450,000
450,000
A$/US$
$0.65
$0.65
Put options purchased
Amount ($)
10,000
10,000
A$/US$
$0.69
$0.69
Put options sold
Amount ($)
10,000
10,000
A$/US$

$0.76
$0.76
Call options sold
Amount ($)
10,000
10,000
A$/US$
$0.64
$0.64
BRAZILIAN REAL (000)
Forward contracts
Amount ($)
62,340
62,340
US$/BRL
BRL 1.86
BRL 1.86
Fair value of derivative analysis by accounting designation as at 31 December 2008
Normal sale
exempted
Cash flow
hedge
accounted
Non-hedge
accounted
Total
US Dollar (millions)
Commodity option contracts
(534)
-
(1,255)
(1,789)
Foreign exchange option contracts
-
-
1
1
Forward sale commodity contracts
(748)
(146)
178
(716)
Forward foreign exchange contracts
-
(1)
16
15
Interest rate swaps
(24)
-
15

(9)

Total derivatives

(1,306)

(147)

(1,045)

(2,498)

Credit risk adjustment

(68)

(2)

(157) **(227)**

Total derivatives - before credit risk adjustment

(1,374)

(149)

(1,202)

(2,725)

Rounding of figures may result in computational discrepancies.

Exploration

Total exploration expenditure inclusive of expenditure at equity accounted joint ventures during the fourth quarter of 2008 amounted to $38m ($16m brownfields, $22m greenfields), compared to $47m ($25m brownfields, $22m greenfields).

Total exploration spend for the year was $183m ($87m brownfields, $96m greenfields) compared to $167m ($75m brownfields, $92m greenfields) in 2007.

The company's total Mineral Resource before depletion increased by 40.5Moz for the year. After depletion, this represents an increase of 32.5Moz, from 207.6Moz in 2007 to 240.1Moz in 2008. The largest single resource increase came at La Colosa in Colombia, where 12.3Moz were delineated by the exploration team. Significant other additions include 7.9Moz at Mponeng, 3.9Moz at Obuasi following exploration work below 50 level, 1.6Moz at Boddington, 1.8Moz at Savuka, 1.4Moz at Iduapriem, 1.2Moz at CC&V following successful exploration and work completed on the mine life extension project, and 1.2Moz at Sadiola.

In 2008, AngloGold Ashanti recorded an increase in total ore reserves before depletion of 7.7Moz. After depletion, this represents a 2.5% increase year-on-year, from 73.1Moz in 2007 to 74.9Moz in 2008. Significant additions included 2.8Moz at Mponeng, 1.3Moz at Obuasi due to revised mine design and schedule, 1.1Moz at Boddington due to successful drilling and at Siguiri 0.6Moz, where the resources were upgraded from inferred to indicated at the Seguelen NW and Sintroko deposits due to improved mining efficiencies.

BROWNFIELDS EXPLORATION

In **South Africa**, surface drilling continued in the Project Zaaiplaats area, with technical issues delaying borehole MZA9 and MMB5 reaching a depth of 3,172m. The Vaal Reef was faulted out by a minor fault at a depth of 3,132m. Borehole MGR8 has now advanced to a depth of 1,596m and surface drilling in the Moab North area continued with the long deflection of borehole MCY4 intersecting C Reef at 2,883m. The hole is currently at a depth of 3,003m.

At Iduapriem in **Ghana**, Mineral Resource conversion drilling at Ajopa was completed, with an additional 23 Reverse Circulation (RC) (1,828m) holes and 26 Diamond drill holes (DDH) (3,127m) being drilled. At Obuasi, exploration continued with 3,055m of DDH drilling below 50 level and 524m of

DDH Drilling above 50 Level.

In **Argentina** at Cerro Vanguardia, the exploration programme continued with 1,742m of recognisance drilling. A further 8,372m of DDH drilling was completed on accessing the underground mining potential. Geological mapping commenced at El Volcan in anticipation of geophysical surveys in 2009.

In **Australia** at Boddington, there were three rigs employed on the Mineral Resource conversion and near mine exploration diamond drilling program. During the quarter, approximately 16,569 metres were drilled in 27 holes, bringing year to date drilling totals to 101,700 metres in 141 holes

At Sunrise Dam, 5,378m of underground DDH (44 holes) was completed during the quarter. Drilling continued to target the extensions to the high-grade gold mineralisation in GQ, Dolly and Cosmo in positions adjacent to the current development. Additional targeting of the Carey Shear, 1km below the mine continued to intersect broad gold zones and granite-hosted mineralisation.

In **Brazil,** at the Córrego do Sítio Sulphide Project, drilling continued with 10,810m being drilled. At the Lamego project a further 7,380m of drilling was completed, while exploration drilling started at the Nova Lima South project with 2,032m being drilled on targets defined by IP surveys and surface mapping.

At Serra Grande, exploration was completed at Pequizão and Pequizão east with 3,082m being drilled. A further 4,632m of Mineral Resource definition drilling was also completed during the quarter.

At Siguiri in **Guinea**, exploration focused on the final interpretation of the Sintroko South deposit (situated 8km south of the mine). Diamond drilling to acquire additional geological information, density data and to validate RC results were completed, and evaluation of the data resulted in a significant increase in the Indicated Mineral Resource. Mining will commence in the first quarter of 2009.

Drilling, based on anomalous soil sampling results on the extensions to the north, east and west of the main Sintroko deposit, was carried out. Good results from the north and western extensions, indicating potential new Mineral Resources close to the main Sintroko deposit, were received.

Also in Guinea, geochemical soil sampling programs were conducted in the Corridor Block (14km northwest of the mine) and in Block 1 to the north and north east of current mining operations, east of Setiguia village and south of the Sintroko Project. Encouraging results were obtained from this sampling in the northwest, north and northeast of the Kintinian-Setiguia villages. These will be drill tested in 2009.

At Geita in **Tanzania**, exploration activities were focused on Star & Comet, Nyankanga, Area 3 and Nyamalembo projects. RC drilling was completed along the northern extension of Star and Comet. A total of 5 RC holes (696m) were drilled during the quarter and further exploration will be planned after completion of geological interpretation.

DDH drilling was completed at Geita Hill and Nyankanga to test the potential for gold mineralisation beyond the limit of the open pit; for future underground mining. A total of 3 holes (1,813m) were drilled during the quarter.

RC infill and strike extension drilling to test for potential oxide Mineral Resources commenced in the Area 3 West-Kukuluma Gap. Currently 11 holes (1,577m) have been completed.

Reconnaissance RC drilling to follow up on grab sample anomalies was completed at Nyamalembo Hill and current results show significant potential.

The high resolution airborne magnetic survey was completed in November.

At Morila in **Mali**, a revised geological model including lithological overview, tectonic setting and magmatism has been put forward. A revised exploration program proposal is now under consideration.

At Sadiola, Mineral Resource modelling is underway for Sekokoto Main. The Phase 10 diamond core drill programme for metallurgical testing of the deep sulphide orebody was completed at the end of November.

A Mineral Resource conversion drilling program commenced in the FE3S-FE4 gap. The program is aimed at oxide mineralisation in the western closure of pushback 3 and sulphide mineralisation in pushback 2. A total of 38 RC holes amounting to 5,506m were completed.

At Sekokoto SE an infill drilling program of 81 RC holes amounting to 1,562m was completed. This programme was drilled to verify the continuity of mineralisation intersected in a 2006 Air Core drilling campaign.

At Yatela, infill drilling was completed at Dinguilou with a total of 6,214m being drilled. In December drilling started at Niamboulama Hill (1,460m) and along the gravity low to the South of the pit (210m).

At Navachab in **Namibia**, two geochemical soil sampling grids over favourable structural and lithological targets on the farms Okakoara and Okatji (Townlands EPL 3275) have been established, and sampling is underway.

Drilling during the last quarter of 2008 focused on the Gecko and Steenbok-Starling targets. 2,200m of RC drilling has been conducted at Gecko since October 2008. Drilling focused on the down plunge extension of the ore body as well as infill.

At Steenbok-Starling, 1,440m of RC drilling comprising 24 holes was completed. Sampling of the Zebra soil grid was completed in December and samples were submitted.

In November, Spectrem Air Limited conducted an airborne electromagnetic survey over the Navachab area, and individual zones for follow up work were identified. At Anomaly 16, a planned 14,606m of the exploration infill and advanced grade control holes were completed.

On mine exploration focused on sterilising lateral extensions and closing information gaps to reduce amount of Inferred Mineral Resource within the conceptual super pit. Drilling was done in and around the Main Pit with DDH rigs deployed on relatively deeper holes (2,871m) and RC rigs completing shallower holes (4,669m).

At Cripple Creek & Victor in the **United States**, drilling continued in the Main Cresson area, Schist Island, Squaw Gulch and near the old Victor Pads with a total of 15,690m being drilled.

GREENFIELDS

Greenfields exploration activities continued in six countries (Australia, Colombia, the DRC, China, the Philippines, and Russia) during the fourth quarter of 2008. A total of 44,264m of diamond drilling (DDH), reverse circulation (RC), and aircore (AC) drilling was completed during the fourth quarter of 2008, at existing priority targets and delineating new targets in Australia, the DRC, Russia and Colombia.

In **SE Asia**, the grant of the Mapawa title in the Philippines is being awaited with all requirements completed and submitted to the relevant government agency. Project generation activities and evaluation of opportunities are ongoing in a number of other areas in the region.

In the **Democratic Republic of Congo**, exploration activities over the 7,495km
2
Concession 40 licence
(AngloGold Ashanti 86.22% and OKIMO 13.78%), were suspended in November 2008, following the deteriorating security situation which led to a precautionary withdrawal of most non-essential staff from the concession. Prior to the withdrawal, a total of 1,253m of diamond drilling was completed within the high-grade part of the Mongbwalu resource area, bringing the total metres drilled during 2008 to 8,824m. The best results received were 7.3m @ 5.597g/t from the Mongbwalu resource area, and an intersection of 10.26m @ 3.395g/t (399.48-409.74m) 4km along strike at the Issuru prospect.

Regional exploration around Bunia West, Petsi, Mont Tsi-Nizi, Camp 3 and Lodjo areas, included soil sampling, regolith mapping and trenching. Results from infill soil sampling from the Pesti prospect defined an anomaly, approximately 450m wide and 300m long, while other regional results received were generally poor. Interpretation of the regional airborne EM and aeromagnetic surveys completed in third quarter is underway.

In **China**, a program of diamond drilling and trenching was completed at the Jinchanggou project. The work was designed to test the 16km long gold-in-soil anomaly identified in early 2008. A total of 18 holes were drilled for 4,280 metres, together with a total volume of 548m
3

trenching were completed. Despite intersecting significant intervals of intense alteration and shearing in drilling, analytical results to date have been disappointing and a review of the project will be undertaken early in the first quarter 2009.

Greenfields exploration in the **America's** region during the quarter was undertaken primarily in Colombia, whilst opportunities reviews were completed in other areas. In Colombia, Greenfield's work was completed by Anglogold Ashanti and by joint venture partners B2Gold Corp., Mineros S.A. and Glencore International. AngloGold Ashanti's component focused upon reconnaissance exploration to drill target preparation on 39 target areas in Colombia in addition to on-going preparatory work and La Colosa. B2Gold Corp. continued drilling at Gramalote and at La Quebradona. Mineros S.A. continued with exploration work including drilling programs on one target. Glencore International remained focused on early stage exploration and conducted airborne geophysical surveys within the JV areas. With respect to Colombian geological, technical and field teams, a daily average of approximately 633 field employees (including an average of 78 geologist) and contractors were active in all phases of Colombian exploration during the quarter. Drill meterage from all Colombian drilling during the fourth quarter, including that of JV partners, was 9,522 metres, bringing the year to a total of 52,752 metres completed on four projects. AngloGold Ashanti activities during the year includes flying in-house airborne magnetometry and radiometric surveys. During the fourth quarter 1,064 line kilometers were completed, bring the year's total to 11,463 line kilometers completed. AngloGold Ashanti has 408 mineral tenement contracts in Colombia totalling 743,420 ha.

At the La Colosa (100% AGA) Project, drilling remained suspended throughout the quarter due to environmental permitting issues. Whilst a resource of 12.3Moz was declared during the year, the La Colosa mineral system remains open to the north, south and east, and various additional targets immediately surround the known La Colosa mineralisation. Four of these targets are drill ready.

At Gramalote (51% B2Gold, 49% AGA, B2 Earning-In), Phase IV (pre-feasibility) diamond drilling at Gramalote Ridge, and Phase III drilling on various satellite targets was undertaken with 4,505 metres drilled, totalling 30,131 metres for the year on the global Gramalote project, including drill investigations at Gramalote Ridge (mostly resource infill work), La Trinidad (7,019 metres in 20 holes), El Balzal, La Reina, El Topazio and La Malasia. Drilling was completed on the Gramalote project during December and are being analyzed.

In the La Quebradona porphyry Au (Cu) district (51% B2Gold, 49% AGA) a total of 4,151 metres were completed on various Au (Cu) porphyry targets during the quarter, including 1,556 metres at El Chaquiro and 590 metres at El Tenador. Thus, during 2008, B2Gold has completed 13,686 metres of core drilling on all targets within the La Quebradona district. Once all results has been returned for the AGA/ B2Gold JV Quebradona drilling program, AngloGold Ashanti will have 30 days to assimilate information and decide on it's future level of participation in the project (complete withdrawal, 49%, 51% or 65% interest).

Tropicana JV (AGA 70%, IGO 30%) Prefeasibility studies on the Tropicana Gold Project are continuing and completion of the study is scheduled for the second quarter of 2009.

A new resource estimate for Tropicana and Havana has been completed, while the emphasis of drilling activities has been to increase the confidence to provide Measured and Indicated Resources, the total resource has grown by nearly 1Moz (100% basis). The new estimate, (on a 100% basis) reported at a 0.6 g/t and 0.7g/t cut-off grade for weathered and fresh rock and constrained within a pit optimisation shell at an assumed long term gold price and A$/$ exchange rate of $1,000/oz and A$/$0.80 is summarised below.

Tropicana Gold Project

Classification	**Mt**	**Grade g/t**	**Moz**
Measured	19.94	2.38	1.53
Indicated	31.05	2.06	2.06
Inferred	24.27	1.83	1.43
Total	**75.26**	**2.07**	**5.01**

AngloGold Ashanti's total attributable gold resource is 3.51Moz. A new mining plan and schedule is being developed to incorporate the increase in the resource.

The assessment for alternative lower cost power options for the project is ongoing. The assessment is considering conventional on site diesel and gas generation, grid reticulation, solar thermal power and number of other innovative alternatives.

Submittal of formal environmental impact assessment documents is anticipated during the first half of 2009, with the Western Australian Public Environmental Review process typically taking approximately 12 months.

In parallel with the pre-feasibility study, exploration in the Tropicana JV has focussed on high priority exploration targets within trucking distance of the Tropicana Gold Project.

During the quarter a total of 633 aircore holes were drilled for 29,209 metres (2,079 holes and 104,782m YTD) and 97 RC holes for 13,752m (144 holes and 19,828m YTD).

RC drilling has returned significant results from Rusty Nail, 5m @ 7.64 g/t Au, Screaming Lizard 4.0 m @ 2.69 g/t Au and Havana South 10m 3.74 g/t Au, 5m @ 22.5 g/t and 10m @ 10.1 g/t Au. The results from Havana South suggest the potential for extensions to the resource and pit designs in this area.

Aircore drilling has identified anomalous results from Black Dragon (8m @ 0.17 g/t Au), Kamikaze (2m @ 0.57 g/t Au), Tumbleweed (1m @ 1.4 g/t Au) and Havana South (3m @ 0.76 g/t Au and 4m @ 0.3 g/t Au).

Bronco Plains JV (AGA Earning 50.4%) The Bronco Plains farm-in and joint venture agreement between the Tropicana JV and Image Resources' covers approximately 230 square kilometres and abuts the western margin of the Tropicana JV.

Under the agreement, AngloGold Ashanti and Independence Group can earn a combined 72% in the project by spending $2m. Aircore drilling of approximately 10 kilometre long gold-in-soil anomaly will commence in 2009, once regulatory approvals have been obtained.

In **Russia**, where AngloGold Ashanti operates in joint venture alliance with Russian miner "OOO Polymetal", exploration and review work was continued during the quarter.

Mineral Resource and Ore Reserve

Mineral Resources and Ore Reserves are reported in accordance with the minimum standard described by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition), and also conform to the standards set out in the South African Code for the Reporting of Mineral Resources and Ore Reserves (the SAMREC 2000 Code). Mineral Resources are inclusive of the Ore Reserve component unless otherwise stated.

Mineral Resources

The 2008 Mineral Resource increased by 40.5Moz before the subtraction of depletion. After a depletion of 7.2Moz, the net increase is 33.4Moz to give a total Mineral Resource of 241.0Moz. Mineral Resources were estimated at a gold price of $1,000/oz (2007: $700/oz). The increased gold price resulted in 13.3Moz of added Mineral Resource while successful exploration and revised modelling resulted in a further increase of 27.5Moz. The remaining loss of 0.3Moz is the result of various other reasons.

		Moz
December 2007 Mineral Resource		**207.6**
Reductions		
TauTona	Transfer to Mponeng	(1.9)
Great Noligwa	Transfer of SV4 to Moab Khotsong	(1.2)
Tau Lekoa	Significant structure and facies changes to the north of Tau Lekoa	(1.2)
Other	Total of non significant changes	(1.4)
Additions		
La Colosa	Successful Greenfields exploration.	12.3
Mponeng	Granting of the WUDL's licence and transfers from TauTona	7.9
Moab Khotsong	Transfer of SV4 to Moab Khotsong	4.4
Obuasi	Exploration below 50 level	3.9
Savuka	Improved economic outlook as a result of an increase in the gold price	1.8
Boddington	Growth in Mineral Resources: Successful near mine exploration drilling and higher gold price	1.6
Iduapriem	Due to increase in Mineral Resource gold price and remodelling of Block 7&8	

1.4

Cripple Creek & Victor

Successful exploration

1.2

Sadiola

Increase in resource gold price, increase in deep sulphides project

1.2

Siguiri

Due to increase in Mineral Resource gold price and increases in the Mineral Resource at Sintroko and Foulata

1.0

Other

Total of non significant changes

2.4

December 2008 Mineral Resource

241.0

Ore Reserves

The 2008 Ore Reserve increased by 7.7Moz before the subtraction of depletion. After a depletion of 5.9Moz, the net increase is 1.8Moz to give a total Ore Reserve of 74.9Moz.

A gold price of $720/oz was used for Ore Reserve estimates (2007: $600/oz). The change in economic assumptions made from 2007 to 2008 resulted in the Ore Reserve increasing by 2.7Moz while exploration and modelling resulted in an additional increase of 5.0Moz.

Moz

December 2007 Ore Reserves

73.1

Reductions

TauTona

Carbon Leader ground between 123-126 levels was transferred to Mponeng. As a change to scattered grid mining, lower value estimates resulting from increased sampling and drilling resulted in reductions. These were partially offset by a higher Mine Call Factor and inclusion of the Carbon Leader Eastern block.

(1.5)

Geita

Mineral Resource model changes and the application of grade factors to mitigate low model confidence; Cost increases

(1.4)

Great Noligwa

Transfer of SV4 section to Moab Khotsong

(1.3)

Other

Total of non significant changes

(1.1)

Additions

Mponeng

Increased grades, the additional ground from TauTona 123-126 level and improved economics which allowed for the mining of Block 3&5

2.8

Obuasi

The increase is due to a revised mine design and schedule.

1.3

Boddington

The growth in Ore Reserve is due to successful drilling and a higher gold price

1.1

Siguiri

The Seguelen NW and Sintroko deposits were upgraded from Inferred to Indicated Mineral Resource and the mining efficiency increased

0.6

Other

Total of non significant changes

1.3

December 2008 Ore Reserves

74.9

By-products

A number of by-products are recovered as a result of the processing of gold Ore Reserves.

These include 0.19Mt of uranium from the South African operations, 0.29Mt of copper from Australia, 0.44Mt of sulphur from Brazil and 35.7Moz of silver from Argentina. Details of the by-product Mineral Resources and Ore Reserves are given in the 2008 Mineral Resource and Ore Reserve Report which is available on the corporate website, www.AngloGoldAshanti.com.

External audit of Mineral Resource and Ore Reserve statements

During the course of the year and as part of the rolling audit programme, AngloGold Ashanti 2008 Mineral Resources and Ore Reserves for the following operations were submitted for external audit:

Mponeng
Tau Tona
Vaal River Surface Sources
Iduapriem
Navachab
Sadiola
Yatela

The company has been informed that the audit identified no material shortcomings in the process by which AngloGold Ashanti's Mineral Resources and Ore Reserves were evaluated. It is the company's intention to continue this process so that its operations will be audited every three years on average.

Competent persons

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by the Competent Persons. These individuals are identified in the report entitled, "Mineral Resource and Ore Reserve 2008 Report". The Competent Persons consent to the inclusion of Exploration Results, Mineral Resources and Ore Reserves information in this report, in the form and context in which it appears.

During the past decade, the company has developed and implemented a rigorous system of internal and external reviews of Exploration Results, Mineral Resources or Ore Reserves. A documented chain of responsibility exists from the Competent Persons at the operations to the company's Mineral Resource and Ore Reserve Steering Committee. Accordingly, the Chairman of the Mineral Resource and Ore Reserve Steering Committee, Mr VA Chamberlain, MSc (Mining Engineering), BSc (Hons) (Geology), MAusIMM, assumes responsibility for the Mineral Resource and Ore Reserve processes for AngloGold Ashanti and is satisfied that the Competent Persons have fulfilled their responsibilities.

Notes

A detailed breakdown of the Mineral Resources and Ore Reserves is provided in the report entitled, "Mineral Resource and Ore Reserve 2008 Report", which will be available in the annual report section of the AngloGold Ashanti website (www.AngloGoldAshanti.com) on or about 23 March 2009, and may be downloaded as a PDF file using Adobe Acrobat Reader. This information is also available on request from the AngloGold Ashanti offices at the addresses given at the back of this report.

Mineral Resources by country (attributable)
as at 31 December 2008

Category	**Tonnes million**	**Grade g/t**	**Contained gold tonnes**	**Contained gold Moz**
South Africa				
Measured	25.56	13.80	352.57	11.34
Indicated	739.87	3.27	2,416.79	77.70
Inferred	56.35	10.47	590.06	18.97
Total	**821.77**	**4.09**	**3,359.42**	**108.01**
Argentina				
Measured	11.01	1.73	19.04	0.61
Indicated	22.00	3.48	76.49	2.46
Inferred	4.97	4.11	20.45	0.66
Total	**37.99**	**3.05**		

115.98
3.73
Australia
Measured
101.25
1.19
120.77 3.88
Indicated
404.49
0.84
340.15
10.94
Inferred
154.79
0.89
138.43
4.45
Total
660.53
0.91
599.35
19.27
Brazil
Measured
11.1
7.01
77.80 2.50
Indicated
13.46
6.49
87.36
2.81
Inferred
28.51
6.76
192.59
6.19
Total
53.07
6.74
357.75
11.50
Colombia
Measured
-
-
- -
Indicated
-
-
-

-
Inferred
409.77
1.01
415.45
13.36
Total
409.77
1.01
415.45
13.36
Democratic Republic of Congo
Measured
-
-
- -
Indicated
-
-
-
-
Inferred
29.25
2.69
78.53
2.52
Total
29.25
2.69
78.53
2.52
Ghana
Measured
94.21
5.21
490.68 15.78
Indicated
138.91
2.86
397.31
12.77
Inferred
100.10
4.25
425.27
13.67
Total
333.23
3.94
1,313.26
42.22

Guinea
Measured
33.53
0.63
21.25 0.68
Indicated
125.22
0.84
105.53
3.39
Inferred
64.08
0.90
57.85
1.86
Total
222.82
0.83
184.63
5.94
Mali
Measured
19.40
1.64
31.86 1.02
Indicated
26.39
2.48
65.32
2.10
Inferred
11.10
2.30
25.49
0.82
Total
56.89
2.16
122.68
3.94
Namibia
Measured
13.83
0.74
10.25 0.33
Indicated
61.94
1.26
78.05
2.51
Inferred

42.31
1.09
46.25
1.49
Total
118.08
1.14
134.55
4.33
Tanzania
Measured
-
-
- -
Indicated
83.84
3.63
304.10
9.78
Inferred
25.12
3.81
95.77
3.08
Total
108.97
3.67
399.87
12.86
United States of America
Measured
255.90
0.87
223.31 7.18
Indicated
183.75
0.73
134.97
4.34
Inferred
83.61
0.66
55.60
1.79
Total
523.26
0.79
413.88
13.31
Total
Measured

565.80
2.38
1,347.53 43.32
Indicated
1,799.87
2.23
4,006.08
128.80
Inferred
1,009.96
2.12
2,141.75
68.86
Total
3,375.63
2.22
7,495.36
240.98

Ore Reserves by country (attributable)
as at 31 December 2008

Category	**Tonnes million**	**Grade g/t**	**Contained gold tonnes**	**Contained gold Moz**
South Africa				
Proved	13.72	7.81	107.13	3.44
Probable	215.10	4.37	939.79	30.21
Total	**228.82**	**4.58**	**1,046.92**	**33.66**
Argentina				
Proved	9.99	1.39	13.90	0.45
Probable	12.29	3.52	43.24	1.39
Total	**22.27**	**2.56**	**57.13**	**1.84**
Australia				
Proved	67.82	1.10	74.54	2.40
Probable	214.50	0.90		

192.57
6.19
Total
282.33
0.95
267.11
8.59
Brazil
Proved
7.77
6.44
50.06 1.61
Probable
7.02
5.82
40.87
1.31
Total
14.79
6.15
90.93
2.92
Ghana
Proved
56.85
4.24
240.89 7.74
Probable
36.43
3.82
139.10
4.47
Total
93.28
4.07
379.98
12.22
Guinea
Proved
56.13
0.56
31.48 1.01
Probable
67.11
1.04
69.64
2.24
Total
123.24
0.82
101.12

3.25
Mali
Proved
9.29
1.87
17.33 0.56
Probable
6.65
2.26
15.02
0.48
Total
15.94
2.03
32.35
1.04
Namibia
Proved
7.21
0.89
6.39 0.21
Probable
27.58
1.28
35.19
1.13
Total
34.78
1.20
41.58
1.34
Tanzania
Proved
-
-
- -
Probable
54.30
2.93
159.06
5.11
Total
54.30
2.93
159.06
5.11
United States
Proved
112.57
0.93
104.60 3.36

Probable
55.70
0.87
48.59
1.56
Total
168.27
0.91
153.19
4.93
Total
Proved
341.35
1.89
646.31 20.78
Probable
696.67
2.42
1,683.07
54.11
Total
1,038.02
2.24
2,329.38
74.89

Group **operating results**

Dec

Sep

Dec

Dec

Dec

Dec

Sep

Dec

Dec

Dec

2008

2008

2007

2008

2007

2008

2008

2007

2008

2007

OPERATING RESULTS

UNDERGROUND OPERATION

Milled

- 000 tonnes

/ - 000 tons

3,227

3,178

3,236

12,335

13,112

3,557

3,503

3,567

13,597

14,454

Yield

- g / t

/ - oz / t

6.72

6.84

6.96

6.89

6.99

0.196

0.200

0.203

0.201

0.204

Gold produced

- kg

/ - oz (000)
21,679
21,737
22,505
85,025
91,684
697
699
723
2,734
2,948
SURFACE AND DUMP RECLAMATION
Treated
- 000 tonnes
/ - 000 tons
3,092
3,078
2,987
11,870
12,429
3,408
3,393
3,293
13,085
13,701
Yield
- g / t
/ - oz / t
0.44
0.40
0.45
0.42
0.49
0.013
0.012
0.013
0.012
0.014
Gold produced
- kg
/ - oz (000)
1,362
1,229
1,339
5,009
6,142
44
40
43
161
197

OPEN-PIT OPERATION
Mined
- 000 tonnes
/ - 000 tons
40,332
44,777
47,549
175,999
172,487
44,458
49,358
52,414
194,006
190,134
Treated
- 000 tonnes
/ - 000 tons
6,575
6,318
6,455
25,388
25,312
7,248
6,964
7,115
27,985
27,901
Stripping ratio
- t (mined total - mined ore) / t mined ore
4.65
6.24
4.62
5.24
4.48
4.65
6.24
4.62
5.24
4.48
Yield
- g / t
/ - oz / t
2.01
2.15
2.33
2.12
2.34
0.059
0.063
0.068
0.062

0.068
Gold in ore
- kg
/ - oz (000)
18,394
4,089
13,711
47,160
55,463
591
131
441
1,516
1,783
Gold produced
- kg
/ - oz (000)
13,240
13,573
15,047
53,930
59,227
426
436
484
1,734
1,904
HEAP LEACH OPERATION
Mined
- 000 tonnes
/ - 000 tons
13,712
13,475
14,965
54,754
59,720
15,115
14,854
16,496
60,356
65,830
Placed
1
- 000 tonnes
/ - 000 tons
5,861
6,026
5,852
23,462
22,341
6,460

6,642
6,450
25,863
24,627
Stripping ratio
- t (mined total - mined ore) / t mined ore
1.47
1.38
1.61
1.43
1.77
1.47
1.38
1.61
1.43
1.77
Yield
2
- g / t
/ - oz / t
0.61
0.56
0.70
0.62
0.73
0.018
0.016
0.021
0.018
0.021
Gold placed
3
- kg
/ - oz (000)
3,577
3,376
4,115
14,496
16,242
115
109
132
466
522
Gold produced
- kg
/ - oz (000)
3,148
2,797
3,665
10,994

13,312
101
90
118
353
428
TOTAL
Gold produced
- kg
/ - oz (000)
39,429
39,336
42,556
154,958
170,365
1,268
1,265
1,368
4,982
5,477
Gold sold
- kg
/ - oz (000)
39,249
40,902
42,278
155,954
170,265
1,262
1,315
1,359
5,014
5,474
Price received
- R / kg
/ - $ / oz
- sold
219,329
160,127
149,312
130,522
142,107
687
644
687
485
629
Price received normalised for
accelerated settlement of non-
hedge derivatives
- R / kg

/ - $ / oz
- sold
219,329
160,127
149,312
185,887
142,107
687
644
687
702
629
Total cash costs
- R / kg
/ - $ / oz
- produced
134,813
121,440
87,744
117,462
80,490
422
486
404
444
357
Total production costs
- R / kg
/ - $ / oz
- produced
172,312
152,945
122,344
150,149
107,415
540
612
563
567
476
PRODUCTIVITY PER EMPLOYEE
Target
- g
/ - oz
342
346
404
333
396
11.00
11.12

12.99
10.70
12.74
Actual
- g
/ - oz
295
321
342
309
349
9.48
10.32
10.99
9.94
11.23
CAPITAL EXPENDITURE
- Rm
/ - $m
2,994
2,623
2,315
9,905
7,444
302
338
339
1,201
1,059
1
Tonnes (tons) placed on to leach pad.
2
Gold placed / tonnes (tons) placed.
3
Gold placed into leach pad inventory.
Rounding of figures may result in computational discrepancies.
Quarter ended
Quarter ended
Unaudited
Rand / Metric
Unaudited
Dollar / Imperial
Year
ended
Year
ended

Group **income statement**
Quarter
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
December
September
December
December
December
2008
2008
2007
2008
2007
Restated
Restated
SA Rand million
Notes
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Revenue
2
8,771
7,205
5,472
30,790
21,876
Gold income
8,517
6,851
5,249
29,774
21,101
Cost of sales
3
(6,928)
(6,148)
(4,943)
(22,558)
(17,241)
Gain (loss) on non-hedge derivatives and other commodity contracts

4
598
148
(2,927)
(6,277)
(5,169)
Gross profit (loss)
2,187
851
(2,621)
939
(1,309)
Corporate administration and other expenses
(363)
(255)
(211)
(1,090)
(894)
Market development costs
(41)
(25)
(40)
(113)
(115)
Exploration costs
(298)
(205)
(232)
(1,037)
(824)
Other operating income (expenses)
5
61
(73)
22
(29)
(134)
Operating special items
6
(15,855)
121
(233)
(15,379)
(84)
Operating (loss) profit
(14,309)
415
(3,315)
(16,709)
(3,360)
Dividend received from other investments

-
-
-
-
16
Interest received
108
248
87
536
302
Exchange gain (loss)
8
51
19
33
(6)
Fair value adjustment on option component of convertible bond
2
-
115
185
333
Finance costs and unwinding of obligations
(225)
(235)
(227)
(926)
(845)
Share of associates' and equity accounted joint ventures (loss) profit
(381)
(98)
132
(1,177)
240
(Loss) profit before taxation
(14,797)
381
(3,189)
(18,058)
(3,320)
Taxation
7
2,978
(577)
(4)
2,078
(734)
Loss after taxation from continuing operations
(11,819)
(196)

(3,193)
(15,980)
(4,054)
Discontinued operations
Profit from discontinued operations
8
4
6
41
198
7
Loss for the period
(11,815)
(190)
(3,152)
(15,782)
(4,047)
Allocated as follows:
Equity shareholders
(11,869)
(247)
(3,199)
(16,105)
(4,269)
Minority interest
54
57
47
323
222
(11,815)
(190)
(3,152)
(15,782)
(4,047)
Basic loss per ordinary share (cents)
1
Loss from continuing operations
(3,336)
(73)
(1,150)
(5,140)
(1,519)
Profit from discontinued operations
1
2
15
63
3
Loss
(3,335)

(71)
(1,136)
(5,077)
(1,516)
Diluted loss per ordinary share (cents)
2
Loss from continuing operations
3
(3,336)
(73)
(1,150)
(5,140)
(1,519)
Profit from discontinued operations
3
1
2
15
63
3
Loss
3
(3,335)
(71)
(1,136)
(5,077)
(1,516)
Dividends
4
- Rm
324
919
- cents per Ordinary share
103
330
- cents per E Ordinary share
52
165
1
Calculated on the basic weighted average number of ordinary shares.
4
Represents the dividend declared per ordinary share.
Rounding of figures may result in computational discrepancies.
2
The impact of the diluted loss per share is anti-dilutive and therefore equal to the basic loss per share.
3
Calculated on the diluted weighted average number of ordinary shares.

Group **income statement**
Quarter
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
December
September
December
December
December
2008
2008
2007
2008
2007
Restated
Restated
US Dollar million
Notes
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Revenue
2
884
930
810
3,743
3,113
Gold income
858
885
777
3,619
3,002
Cost of sales
3
(698)
(790)
(731)
(2,728)
(2,458)
Gain (loss) on non-hedge derivatives and other commodity contracts

4
230
92
(441)
(297)
(792)
Gross profit (loss)
390
186
(395)
594
(248)
Corporate administration and other expenses
(37)
(33)
(31)
(131)
(128)
Market development costs
(4)
(3)
(6)
(13)
(16)
Exploration costs
(30)
(26)
(35)
(126)
(117)
Other operating income (expenses)
5
6
(9)
3
(6)
(20)
Operating special items
6
(1,600)
16
(34)
(1,538)
(13)
Operating (loss) profit
(1,275)
130
(498)
(1,220)
(542)
Dividend received from other investments

-
-
-
-
2
Interest received
11
32
13
66
43
Exchange gain (loss)
1
6
3
4
(1)
Fair value adjustment on option component of convertible bond
-
-
17
25
47
Finance costs and unwinding of obligations
(23)
(30)
(34)
(114)
(120)
Share of associates' and equity accounted joint ventures (loss) profit
(39)
(12)
20
(138)
35
(Loss) profit before taxation
(1,324)
126
(479)
(1,377)
(536)
Taxation
7
313
(69)
(1)
197
(101)
(Loss) profit after taxation from continuing operations
(1,011)
57

(481)
(1,180)
(637)
Discontinued operations
Profit from discontinued operations
8
-
1
6
25
1
(Loss) profit for the period
(1,011)
58
(475)
(1,155)
(636)
Allocated as follows:
Equity shareholders
(1,016)
51
(482)
(1,195)
(668)
Minority interest
5
7
7
40
32
(1,011)
58
(475)
(1,155)
(636)
Basic (loss) earnings per ordinary share (cents)
1
(Loss) profit from continuing operations
(285)
15
(173)
(385)
(237)
Profit from discontinued operations
-
-
2
8
-
(Loss) profit
(285)

15
(171)
(377)
(237)
Diluted (loss) earnings per ordinary share (cents)
2
(Loss) profit from continuing operations
3
(285)
15
(173)
(385)
(237)
Profit from discontinued operations
3
-
-
2
8
-
(Loss) profit
3
(285)
15
(171)
(377)
(237)
Dividends
4
- $m
41
125
- cents per Ordinary share
13
45
- cents per E Ordinary share
7
22
1
Calculated on the basic weighted average number of ordinary shares.
4
Represents the dividend declared per ordinary share. Dividends are translated at actual rates on date of payment.
Rounding of figures may result in computational discrepancies.
2
The impact of the diluted earnings (loss) per share is anti-dilutive and therefore equal to the basic earnings (loss) per share.
3
Calculated on the diluted weighted average number of ordinary shares.

Group **balance sheet**

As at
As at
As at
December
September
December
2008
2008
2007
Restated
SA Rand million
Notes
Unaudited
Unaudited
Unaudited
ASSETS
Non-current assets
Tangible assets
41,081
55,085
45,095
Intangible assets
1,403
3,287
2,859
Investments in associates and equity accounted joint ventures
2,814
2,846
2,183
Other investments
625
663
699
Inventories
2,710
2,389
1,807
Trade and other receivables
585
531
387
Deferred taxation
475
111
430
Other non-current assets
32
88
278
49,725

65,000
53,738
Current assets
Inventories
5,663
5,342
3,753
Trade and other receivables
2,076
2,076
1,384
Derivatives
5,386
3,851
3,516
Current portion of other non-current assets
2
2
2
Cash restricted for use
415
499
264
Cash and cash equivalents
5,438
4,585
3,246
18,980
16,355
12,165
Non-current assets held for sale
7,497
10
210
26,477
16,365
12,375
TOTAL ASSETS
76,202
81,365
66,113
EQUITY AND LIABILITIES
Share capital and premium
11
37,336
36,525
22,371
Retained earnings and other reserves
12
(14,380)
(6,579)

(6,167)
Shareholders' equity
22,956
29,946
16,204
Minority interests
12
790
655
429
Total equity
23,746
30,601
16,633
Non-current liabilities
Borrowings
13
8,224
6,865
10,416
Environmental rehabilitation and other provisions
3,860
3,805
3,176
Provision for pension and post-retirement benefits
1,293
1,257
1,208
Trade, other payables and deferred income
99
72
79
Derivatives
14
235
313
1,110
Deferred taxation
5,838
8,170
7,100
19,549
20,483
23,089
Current liabilities
Current portion of borrowings
13
10,046
8,581
2,173
Trade, other payables and deferred income

4,946
4,857
4,318
Derivatives
14
16,426
15,998
18,763
Taxation
1,033
846
1,137
32,451
30,282
26,391
Non-current liabilities held for sale
456
-
-
32,907
30,282
26,391
Total liabilities
52,456
50,764
49,480
TOTAL EQUITY AND LIABILITIES
76,202
81,365
66,113
Net asset value - cents per share
6,643
8,628
5,907
Rounding of figures may result in computational discrepancies.

Group **balance sheet**

		As at December 2008	As at September 2008	As at December 2007 Restated
US Dollar million	**Notes**	Unaudited	Unaudited	Unaudited
ASSETS				
Non-current assets				
Tangible assets		**4,345**	6,663	6,621
Intangible assets		**148**	398	420
Investments in associates and equity accounted joint ventures		**298**	344	321
Other investments		**66**	80	103
Inventories		**287**	289	265
Trade and other receivables		**62**	64	57
Deferred taxation		**50**	13	63
Other non-current assets		**3**	11	41
		5,259		

7,863
7,891
Current assets
Inventories
599
646
551
Trade and other receivables
220
251
203
Derivatives
570
466
516
Current portion of other non-current assets
-
-
-
Cash restricted for use
44
60
39
Cash and cash equivalents
575
555
477
2,008
1,978
1,786
Non-current assets held for sale
793
1
31
2,801
1,979
1,817
TOTAL ASSETS
8,060
9,842
9,708
EQUITY AND LIABILITIES
Share capital and premium
11
3,949
4,418
3,285
Retained earnings and other reserves
12
(1,521)
(796)

(906)
Shareholders' equity
2,428
3,622
2,379
Minority interests
12
83
79
63
Total equity
2,511
3,702
2,442
Non-current liabilities
Borrowings
13
870
830
1,529
Environmental rehabilitation and other provisions
408
460
467
Provision for pension and post-retirement benefits
137
152
177
Trade, other payables and deferred income
11
9
12
Derivatives
14
25
38
163
Deferred taxation
617
988
1,042
2,068
2,478
3,390
Current liabilities
Current portion of borrowings
13
1,063
1,038
319
Trade, other payables and deferred income

524
587
635
Derivatives
14
1,737
1,935
2,755
Taxation
109
102
167
3,433
3,663
3,876
Non-current liabilities held for sale
48
-
-
3,481
3,663
3,876
Total liabilities
5,549
6,140
7,266
TOTAL EQUITY AND LIABILITIES
8,060
9,842
9,708
Net asset value - cents per share
702
1,044
867
Rounding of figures may result in computational discrepancies.

Group
cash flow statement
Quarter
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
December
September
December
December
December
2008
2008
2007
2008
2007
Restated
Restated
Restated
SA Rand million
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Cash flows from operating activities
Receipts from customers
8,772
6,818
5,376
30,117
21,595
Payments to suppliers and employees
(6,210)
(6,193)
(3,744)
(24,429)
(14,676)
Cash generated from operations
2,562
625
1,632
5,688
6,919
Cash (utilised) generated by discontinued operations

(4)
9
10
(11)
(14)
Cash utilised for hedge book settlements
(10)
(7,755)
-
(8,514)
-
Dividend received from equity accounted investments
257
141
107
739
444
Taxation paid
(127)
(129)
(568)
(1,029)
(1,264)
Net cash inflow (outflow) from operating activities
2,678
(7,108)
1,181
(3,127)
6,085
Cash flows from investing activities
Capital expenditure
(2,964)
(2,615)
(2,259)
(9,846)
(7,138)
Acquisition of assets
-
-
3
-
(284)
Proceeds from disposal of tangible assets
33
25
24
301
197
Proceeds from disposal of assets of discontinued operations
-
1

-
79
9
Other investments acquired
(197)
(228)
(207)
(769)
(190)
Associate loans, acquisitions and disposals
-
(44)
-
377
1
Proceeds from disposal of investments
203
214
69
729
174
Dividend received from other investments
-
-
-
-
16
Decrease (increase) in cash restricted for use
94
24
37
(49)
(177)
Interest received
98
256
72
538
247
Net loans repaid
1
1
-
-
3
Net cash outflow from investing activities
(2,733)
(2,366)
(2,261)
(8,640)
(7,142)

Cash flows from financing activities
Proceeds from issue of share capital
12
13,494
88
13,592
247
Share issue expenses
(11)
(410)
-
(421)
(4)
Proceeds from borrowings
1,622
2,305
4,205
7,034
5,918
Repayment of borrowings
(477)
(4,402)
(3,194)
(5,066)
(3,652)
Finance costs paid
(266)
(242)
(34)
(788)
(502)
Advanced proceeds from rights offer
-
(6)
-
-
-
Dividends paid
-
(254)
(17)
(455)
(1,050)
Net cash inflow from financing activities
879
10,486
1,048
13,896
957
Net increase (decrease) in cash and cash equivalents
824

1,011
(31)
2,129
(100)
Translation
29
(87)
(10)
63
49
Cash and cash equivalents at beginning of period
4,585
3,661
3,287
3,246
3,297
Net cash and cash equivalents at end of period
5,438
4,585
3,246
5,438
3,246
Cash generated from operations
(Loss) profit before taxation
(14,797)
381
(3,189)
(18,058)
(3,320)
Adjusted for:
Movement on non-hedge derivatives and other commodity contracts
(1,046)
(821)
3,645
3,169
7,112
Amortisation of tangible assets
1,387
1,111
1,063
4,620
3,980
Finance costs and unwinding of obligations
225
235
227
926
845
Environmental, rehabilitation and other expenditure
(75)
54

252
38
266
Operating special items
15,855
(121)
233
15,379
84
Amortisation of intangible assets
9
4
3
21
14
Deferred stripping
(140)
(124)
(84)
(418)
(489)
Fair value adjustment on option components of convertible bond
(2)
-
(115)
(185)
(333)
Interest receivable
(108)
(248)
(87)
(536)
(302)
Other non-cash movements
747
393
66
1,953
141
Movements in working capital
507
(238)
(250)
(1,221)
(1,079)
2,562
625
1,632
5,688
6,919

Movements in working capital
Increase in inventories
(1,162)
(310)
(429)
(3,588)
(1,410)
Decrease (increase) in trade and other receivables
135
(241)
(141)
(618)
(404)
Increase (decrease) in trade and other payables
1,533
312
321
2,985
(735)
507
(238)
(250)
(1,221)
(1,079)
Rounding of figures may result in computational discrepancies.

Group **cash flow statement**

	Quarter ended December 2008	Quarter ended September 2008 Restated	Quarter ended December 2007 Restated	Year ended December 2008	Year ended December 2007 Restated
US Dollar million	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Cash flows from operating activities					
Receipts from customers	**892**	884	795	3,672	3,071
Payments to suppliers and employees	**(681)**	(765)	(554)	(3,040)	(2,088)
Cash generated from operations	**210**	119	241	632	983
Cash generated (utilised) by discontinued operations	**-**				

1
2
(1)
(2)
Cash utilised for hedge book settlements
(1)
(1,018)
-
(1,113)
-
Dividend received from equity accounted investments
20
15
16
78
65
Taxation paid
(7)
(16)
(82)
(125)
(180)
Net cash inflow (outflow) from operating activities
221
(899)
176
(529)
866
Cash flows from investing activities
Capital expenditure
(298)
(337)
(330)
(1,194)
(1,015)
Acquisition of assets
-
-
-
-
(40)
Proceeds from disposal of tangible assets
3
3
4
39
29
Proceeds from disposal of assets of discontinued operations
-
-
-

10
1
Other investments acquired
(19)
(29)
(30)
(93)
(27)
Associate loans, acquisitions and disposals
(3)
(1)
-
48
-
Proceeds from disposal of investments
20
28
10
88
25
Dividend received from other investments
-
-
-
-
2
Decrease (increase) in cash restricted for use
14
3
5
(6)
(25)
Interest received
10
33
11
67
35
Net loans advanced
-
-
-
-
-
Net cash outflow from investing activities
(274)
(300)
(330)
(1,041)
(1,015)

Cash flows from financing activities
Proceeds from issue of share capital
1
1,710
12
1,722
34
Share issue expenses
-
(54)
-
(54)
-
Proceeds from borrowings
149
298
602
853
843
Repayment of borrowings
(17)
(573)
(455)
(614)
(520)
Finance costs paid
(25)
(31)
(6)
(93)
(72)
Advanced proceeds from rights offer
-
(1)
-
-
-
Dividends paid
-
(33)
(2)
(58)
(144)
Net cash inflow from financing activities
108
1,317
150
1,756
141
Net increase (decrease) in cash and cash equivalents
55

117
(4)
186
(8)
Translation
(35)
(30)
2
(88)
14
Cash and cash equivalents at beginning of period
555
467
478
477
471
Net cash and cash equivalents at end of period
575
555
477
575
477
Cash generated from operations
(Loss) profit before taxation
(1,324)
126
(479)
(1,377)
(536)
Adjusted for:
Movement on non-hedge derivatives and other commodity contracts
(276)
(178)
547
(88)
1,071
Amortisation of tangible assets
140
143
157
560
567
Finance costs and unwinding of obligations
23
30
34
114
120
Environmental, rehabilitation and other expenditure
(8)
7

37
6
39
Operating special items
1,600
(16)
34
1,538
13
Amortisation of intangible assets
1
-
-
2
2
Deferred stripping
(14)
(16)
(13)
(51)
(72)
Fair value adjustment on option components of convertible bond
-
-
(17)
(25)
(47)
Interest receivable
(11)
(32)
(13)
(66)
(43)
Other non-cash movements
75
49
(9)
225
21
Movements in working capital
5
5
(38)
(206)
(152)
210
119
241
632
983

Movements in working capital
(Increase) decrease in inventories
(1)
14
(70)
(151)
(224)
Decrease (increase) in trade and other receivables
47
(17)
(23)
(9)
(64)
(Decrease) increase in trade and other payables
(40)
7
55
(46)
136
5
5
(38)
(206)
(152)
Rounding of figures may result in computational discrepancies.

Statement of **recognised income and expense**

	Year ended December 2008	**Year ended December 2007**
		Restated
SA Rand million	Unaudited	Unaudited
Actuarial loss on pension and post-retirement benefits	**(364)**	(99)
Net loss on cash flow hedges removed from equity and reported in gold sales	**1,782**	1,421
Net loss on cash flow hedges	**(721)**	(1,173)
Hedge ineffectiveness	**64**	69
Realised losses on capital hedges	**(18)**	-
(Loss) gain on available-for-sale financial assets	**(83)**	8
Deferred taxation on items above	**(119)**	36
Translation	**8,634**	(169)
Net income recognised directly in equity	**9,175**	93
Loss for the year	**(15,782)**	(4,047)
Total recognised expense for the year	**(6,607)**	(3,954)
Attributable to:		
Equity shareholders	**(7,093)**	(4,169)
Minority interest		

486
215
(6,607)
(3,954)
US Dollar million
Actuarial loss on pension and post-retirement benefits
(44)
(14)
Net loss on cash flow hedges removed from equity and reported in gold sales
216
202
Net loss on cash flow hedges
(87)
(168)
Hedge ineffectiveness
8
10
Realised losses on capital hedges
(2)
-
(Loss) gain on available-for-sale financial assets
(10)
1
Deferred taxation on items above
(12)
5
Translation
645
6
Net income recognised directly in equity
714
42
Loss for the year
(1,155)
(636)
Total recognised expense for the year
(441)
(594)
Attributable to:
Equity shareholders
(477)
(627)
Minority interest
36
33
(441)
(594)
Rounding of figures may result in computational discrepancies.

Notes
for the quarter and year ended 31 December 2008

1. Basis of preparation

The financial statements in this quarterly report have been prepared in accordance with the historic cost convention except for certain financial instruments which are stated at fair value. Except for the change in accounting policy described below and detailed in note 20, the group's accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2007 and revised International Financial Reporting Standards (IFRS) which are effective 1 January 2008, where applicable.

The group changed its accounting policy regarding accounting for incorporated joint ventures to provide more relevant financial data as returns from these investments are limited to dividends which is more representative of the income flows. Incorporated joint ventures were previously accounted for under the proportionate consolidation method. Comparative figures have been restated to conform to the changes in accounting policy.

The financial statements of AngloGold Ashanti Limited have been prepared in compliance with IAS34, JSE Listings Requirements and in the manner required by the South African Companies Act, 1973 for the preparation of financial information of the group for the quarter and year ended 31 December 2008.

2. Revenue

Quarter ended
Year ended
Quarter ended
Year ended
Dec
Sep
Dec
Dec
Dec
Dec
Sep
Dec
Dec
Dec
2008
2008
2007
2008
2007
2008
2008
2007
2008
2007
Restated
Restated
Restated
Restated
Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited
SA Rand million
US Dollar million
Gold income
8,517

6,851
5,249
29,774
21,101
858
885
777
3,619
3,002
By-products (note 3)
147
106
136
480
457
15
14
20
58
66
Dividend received from other
investments
-
-
-
-
16
-
-
-
-
2
Interest received
108
248
87
536
302
11
32
13
66
43
8,771
7,205
5,472
30,790
21,876
884
930
810

3,743
3,113
3. Cost of sales
Quarter ended
Year ended
Quarter ended
Year ended
Dec Sep Dec
Dec
Dec
Dec
Sep Dec Dec Dec
2008 2008 2007
2008
2007
2008
2008 2007 2008 2007
Restated
Restated
Restated
Restated
Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited
SA Rand million
US Dollar million
Cash operating costs
(4,948)
(4,540)
(3,234) (16,865) (12,379)
(498)
(584)
(478)
(2,045)
(1,764)
By-products revenue (note 2)
147
106
136
480
457
15
14
20
58
66
By-products cash operating costs
(65)
(57)
(228)
(286)
(420)
(7)

(8)
(34)
(36)
(60)
(4,866)
(4,491)
(3,326) (16,671) (12,342)
(490)
(578)
(492)
(2,023)
(1,758)
Other cash costs
(196)
(177)
(143)
(734)
(547)
(20)
(23)
(21)
(90)
(78)
Total cash costs
(5,062)
(4,668)
(3,469) (17,405) (12,889)
(510)
(601)
(513)
(2,113)
(1,836)
Retrenchment costs
(16)
(14)
(88)
(72)
(131)
(2)
(2)
(13)
(9)
(19)
Rehabilitation and other non-cash
costs
2
(102)
(302)
(218)
(422)
-

(13)
(44)
(28)
(61)
Production costs
(5,076)
(4,784)
(3,859) (17,695) (13,442)
(511)
(616)
(570)
(2,150)
(1,916)
Amortisation of tangible assets
(1,387)
(1,111)
(1,063)
(4,620)
(3,980)
(140)
(143)
(158)
(560)
(567)
Amortisation of intangible assets
(9)
(4)
(3)
(21)
(14)
(1)
-
-
(2)
(2)
Total production costs
(6,472)
(5,899)
(4,925) (22,336) (17,436)
(652)
(759)
(728)
(2,712)
(2,485)
Inventory change
(456)
(249)
(18)
(222)
195
(47)

(32)
(3)
(16)
27
(6,928)
(6,148)
(4,943) (22,558) (17,241)
(698)
(790)
(731)
(2,728)
(2,458)
Rounding of figures may result in computational discrepancies.
29

4. Gain (loss) on non-hedge derivatives and other commodity contracts

Quarter ended
Year ended
Quarter ended
Year ended
Dec Sep Dec
Dec
Dec
Dec
Sep Dec Dec Dec
2008 2008 2007
2008
2007
2008
2008 2007 2008 2007
Restated
Restated
Restated
Restated
Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited
SA Rand million
US Dollar million
(Loss) gain on realised non-hedge
derivatives
(348)
(519)
740
(2,145)
2,033
(35)
(66)
110
(264)
291
Realised loss on other commodity
contracts
-
-
-
(253)
-
-
-
-
(32)
-
Loss on accelerated settlement of non-
hedge derivatives
-
-
-

(7,764)
-
-
-
-
(979)
-
Gain (loss) on unrealised non-hedge derivatives
898
666
(3,829)
3,774
(7,305)
260
158
(575)
965
(1,099)
Unrealised gain (loss) on other commodity physical borrowings
48
1
(4)
74
23
5
-
(1)
8
3
Provision reversed (accrued) for gain (loss) on future deliveries of other commodities
-
-
167
37
80
-
-
25
5
13
598
148
(2,927)
(6,277)
(5,169)
230
92

(441)
(297)
(792)
5. Other operating income (expenses)
Quarter ended
Year ended
Quarter ended
Year ended
Dec Sep Dec
Dec
Dec
Dec
Sep Dec Dec Dec
2008 2008 2007
2008
2007
2008
2008 2007 2008 2007
Restated
Restated

Restated
Restated
Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited
SA Rand million
US Dollar million
Pension and medical defined benefit
provisions
80
(24)
52
8
(23)
8
(3)
7
(2)
(3)
Claims filed by former employees in
respect of loss of employment,
work-related accident injuries and
diseases, governmental fiscal
claims and costs of old tailings
operations
(20)
(49)
(30)
(37)
(97)
(2)
(6)

(4)
(4)
(15)
Miscellaneous
1
-
-
-
(14)
-
-
-
-
(2)
61
(73)
22
(29)
(134)
6
(9)
3
(6)
(20)
6. Operating special items
Quarter ended
Year ended
Quarter ended
Year ended
Dec Sep Dec
Dec
Dec
Dec
Sep Dec Dec Dec
2008 2008 2007
2008
2007
2008
2008 2007 2008 2007
Restated
Restated
Restated
Restated
Unaudited
Unaudited
Unaudited Unaudited Unaudited Unaudited Unaudited
Unaudited
Unaudited
Unaudited
SA Rand million
US Dollar million

Reimbursement (under provision) of
indirect tax expenses
148
1
(102)
198
(136)
15
-
(14)
22
(19)
Siguiri royalty payment calculation
dispute with the Guinean
Administration
(26)
-
(27)
(26)
(27)
(3)
-
(4)
(3)
(4)
ESOP and BEE costs resulting from
rights offer
-
-
-
(76)
-
-
-
-
(10)
-
Contractor termination costs at
Iduapriem
(10)
-
-
(10)
-
(1)
-
-
(1)
-
Impairment net of reversals of tangible
assets (note 9)

(14,786)
(3)
(5) (14,792)
(6)
(1,492)
-
(1)
(1,493)
(1)
Impairment of goodwill (note 9)
(1,080)
-
-
(1,080)
-
(109)
-
-
(109)
-
Recovery of exploration costs
-
34
(20)
35
29
-
4
(3)
5
4
(Loss) profit on disposal and
abandonment of land, mineral
rights, tangible assets and
exploration properties (note 9)
(55)
82
(55)
381
79
(4)
11
(9)
52
10
Impairment of investments (note 9)
(42)
-
-
(42)
-

(6)
-
-
(6)
-
(Loss) profit on disposal of investment
in Nufcor International Limited
(note 9)
(4)
(12)
-
14
-
-
(2)
-
2
-
Nufcor Uranium trust contributions by
other members (note 9)
-
19
-
19
-
-
3
-
3
-
Buildings located at Siguiri destroyed
by fire (note 9)
-
-
(23)
-
(23)
-
-
(3)
-
(3)
(15,855)
121
(233) (15,379)
(84)
(1,600)
16
(34)
(1,538)
(13)

Rounding of figures may result in computational discrepancies.
30

7. Taxation
Quarter ended
Year ended
Quarter ended
Year ended
Dec Sep Dec
Dec
Dec
Dec
Sep Dec Dec Dec
2008 2008 2007
2008
2007
2008
2008 2007 2008 2007
Restated
Restated
Restated
Restated
Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited
SA Rand million
US Dollar million
Current tax
Normal taxation
(44)
(103)
(293)
(524)
(1,269)
(4)
(15)
(44)
(71)
(181)
Disposal of tangible assets (note 9)
(3)
(2)
(9)
(10)
(40)
-
-
(1)
(1)
(6)
Over (under) provision prior year
18
(4)
-
(1)
(22)

1
-
-
-
(2)
(29)
(109)
(302)
(535)
(1,331)
(3)
(15)
(45)
(72)
(189)
Deferred taxation
Temporary differences
(610)
(446)
(71)
(210)
(45)
(61)
(57)
(11)
(13)
(7)
Unrealised non-hedge derivatives and
other commodity contracts
(254)
(9)
337
(1,219)
681
(14)
4
50
(132)
100
Disposal and impairment of tangible
assets (note 9)
3,933
(13)
(2)
3,915
18
397
(2)
-
395
3

Change in estimated deferred tax rate
(62)
-
34
(62)
(57)
(6)
-
5
(6)
(8)
Change in statutory tax rate
1
-
-
190
-
-
-
-
25
-
3,008
(468)
298
2,614
597
316
(55)
44
269
88
Total taxation
2,978
(577)
(4)
2,078
(734)
313
(69)
(1)
197
(101)
8. Discontinued Operations
The Ergo surface dump reclamation, which forms part of the South Africa operations, has been discontinued as the operation has reached the end of its useful life. The results of Ergo are presented below:
Quarter ended
Year ended
Quarter ended
Year ended

Dec **Sep** **Dec**
Dec
Dec
Dec
Sep **Dec** **Dec** **Dec**
2008 **2008** **2007**
2008
2007
2008
2008 **2007** **2008** **2007**
Restated
Restated
Restated
Restated
Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited
SA Rand million
US Dollar million
Gold income
-
-
-
-
5
-
-
-
-
1
Cost of sales
4
(4)
31
(17)
15
-
(1)
5
(2)
2
Gross profit (loss)
4
(4)
31
(17)
20
-
(1)
5
(2)
3
Other (expenses) income

(4)
8
10
9
10
-
1
2
1
2
Profit (loss) before taxation
-
4
41
(8)
30
-
1
6
(1)
5
Normal taxation
4
1
-
(17)
(2)
-
-
-
(2)
-
Deferred tax
-
-
(1)
(1)
(21)
-
-
-
-
(4)
Net profit (loss) after tax
4
5
40
(26)
7
-
1

6
(3)
1
Profit on disposal of assets (note 9)
-
1
-
218
-
-
-
-
27
-
Deferred tax on disposal of assets
(note 9)
-
-
-
6
-
-
-
-
1
-
Profit from discontinued operations
4
6
41
198
7
-
1
6
25
1
The Ergo reclamation surface operation, which formed part of the South African operations and was included under South Africa for segmental reporting,
reached the end of its useful life on 1 February 2005 and mining operations ceased on 31 March 2005. The site restoration activities continued after the
mining operation was discontinued.
On 8 June 2007, AngloGold Ashanti sold the remaining assets of Ergo, the surface reclamation operation east of Johannesburg, to a consortium of Mintails
South Africa (Pty) Limited / DRD South African operations (Pty) Limited. The Competition Commissioner approved the transaction on 5 May 2008 without
conditions. One of the main resolutive conditions which is still outstanding, is the approval by the Minister of the cession of the mining rights from
AngloGold Ashanti to ERGO Mining (Pty) Limited currently owned by Mintails South Africa (Pty) Limited and DRD South African Operations (Pty) Limited.
The environmental rehabilitation liability remains with AngloGold Ashanti until all the resolutive sale conditions have

been met.
Rounding of figures may result in computational discrepancies.
1

9. Headline earnings (loss)

Quarter ended

Year ended

Quarter ended

Year ended

Dec **Sep**

Dec

Dec

Dec

Dec

Sep **Dec** **Dec** **Dec**

2008 **2008**

2007

2008

2007

2008

2008 **2007** **2008** **2007**

Restated

Restated

Restated

Restated

Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited

SA Rand million

US Dollar million

The (loss) profit attributable to equity shareholders has been adjusted by the following to arrive at headline earnings (loss):

(Loss) profit attributable to equity shareholders

(11,869)

(247)

(3,199) (16,105)

(4,269)

(1,016)

51

(482)

(1,195)

(668)

Impairment net of reversals of tangible assets (note 6)

14,786

3

5

14,792

6

1,492

-

1

1,493

1

Impairment of goodwill (note 6)
1,080
-
-
1,080
-
109
-
-
109
-
Impairment of investments (note 6)
42
-
-
42
-
6
-
-
6
-
Profit on disposal and abandonment of
assets (note 6)
55
(101)
78
(400)
(56)
4
(14)
12
(55)
(7)
Loss (profit) on disposal of investment in
associate (note 6)
4
12
-
(14)
-
-
2
-
(2)
-
Profit on disposal of discontinued assets
(note 8)
-
(1)
-

(218)
-
-
-
-
(27)
-
Impairment of investment in associate
347
21
10
389
161
35
3
1
39
23
Profit on disposal of assets in associate
-
-
-
(30)
-
-
-
-
(3)
-
Taxation on items above - current portion
(note 7)
3
2
9
10
40
-
-
1
1
6
Taxation on items above - deferred portion
(note 7)
(3,933)
13
2
(3,915)
(18)
(397)
2
-

(395)
(3)
Discontinued operations taxation on items
above (note 8)
-
-
-
(6)
-
-
-
-
(1)
-
Headline earnings (loss)
516
(298)
(3,095)
(4,375)
(4,136)
234
44
(466)
(30)
(648)
Cents per share
(1)
Headline earnings (loss)
145
(86)
(1,099)
(1,379)
(1,470)
66
13
(165)
(9)
(230)
(1)
Calculated on the basic weighted average number of ordinary shares.
10. Shares
Quarter ended
Year ended
Dec
Sep
Dec
Dec **Dec**
2008
2008
2007
2008 **2007**

Unaudited
Unaudited
Unaudited
Unaudited Audited
Authorised:
Ordinary shares of 25 SA cents each
400,000,000
400,000,000
400,000,000
400,000,000 400,000,000
E ordinary shares of 25 SA cents each
4,280,000
4,280,000
4,280,000
4,280,000 4,280,000
A redeemable preference
shares of 50 SA cents each
2,000,000
2,000,000
2,000,000
2,000,000 2,000,000
B redeemable preference
shares of 1 SA cent each
5,000,000
5,000,000
5,000,000
5,000,000 5,000,000
Issued and fully paid:
Ordinary shares in issue
353,483,410
350,677,750
277,457,471
353,483,410 277,457,471
E ordinary shares in issue
3,966,941
4,002,887
4,140,230
3,966,941
4,140,230
Total ordinary shares:
357,450,351
354,680,637
281,597,701
357,450,351 281,597,701
A redeemable preference shares
2,000,000
2,000,000
2,000,000
2,000,000 2,000,000
B redeemable preference shares
778,896

778,896
778,896
778,896 778,896
In calculating the diluted number of ordinary shares
outstanding for the period, the following were taken into consideration:
Ordinary shares
351,517,689
342,692,446
277,119,778
312,610,124 276,805,309
E ordinary shares
3,980,034
4,018,901
4,080,713
4,046,364 4,117,815
Fully vested options
440,430
405,584
457,601
547,460 531,983
Weighted average number of shares
355,938,153
347,116,931
281,658,092
317,203,948 281,455,107
Dilutive potential of share options
-
786,816
-
-
-
Diluted number of ordinary shares
(1)
355,938,153
347,903,747
281,658,092
317,203,948 281,455,107
(1)
The basic and diluted number of ordinary shares is the same for the December 2008 quarter, December 2007 quarter, year ended December 2008
and year ended December 2007 as the effects of shares for performance related options are anti-dilutive.
Rounding of figures may result in computational discrepancies.
32

11. Share capital and premium

As at
As at
Dec
Sep
Dec
Dec Sep Dec
2008
2008
2007
2008 2008 2007
Restated
Restated
(1)
Restated
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
SA Rand million
US Dollar million
Balance at beginning of period
23,322
23,322
23,045
3,425
3,425
3,292
Ordinary shares issued
14,946
14,140
283
1,875
1,794
40
E ordinary shares cancelled
(22)
(17)
(6)
(2)
(2)
(1)
Translation
-
-
-
(1,253)
(687)
94

Sub-total
38,246
37,445
23,322
4,045
4,530
3,425
Redeemable preference shares held within the group
(312)
(312)
(312)
(33)
(38)
(46)
Ordinary shares held within the group
(273)
(278)
(292)
(29)
(34)
(43)
E ordinary shares held within group
(325)
(330)
(347)
(34)
(40)
(51)
Balance at end of period
37,336
36,525
22,371
3,949
4,418
3,285
(1)
The September 2008 quarter has been restated to reflect the shares issued for Golden Cycle Corporation and the rights issue at the rate prevailing
on the transaction date.
12. Retained earnings and other reserves
Foreign
Other Retained
Non-
currency
Actuarial
compre- earnings
Retained distributable translation
(losses)
hensive and other Minority
SA Rand million
earnings

reserves
reserve
gains
income reserves interests
Total
Balance at December 2006
(214)
138
436
(45)
(1,503)
(1,188)
436
(752)
Actuarial loss recognised
(99)
(99)
(99)
Net loss on cash flow hedges removed from
equity and reported in gold sales
1,407
1,407
14
1,421
Net loss on cash flow hedges
(1,161)
(1,161)
(12)
(1,173)
Hedge ineffectiveness
69
69
69
Gain on available-for-sale financial assets
8
8
8
Share-based payment for share awards
190
190
190
Deferred taxation on items above
36
-
36
36
(Loss) profit for the year
(4,269)
(4,269)
222
(4,047)

Dividends
(919)
(919)
(131)
(1,050)
Acquisition of minority interest
(1)
(81)
(81)
(91)
(172)
Transfers to foreign currency translation reserve
(41)
41
-
-
Translation
(139)
-
(21)
(160)
(9)
(169)
Balance at December 2007
(5,524)
138
338
(108)
(1,011)
(6,167)
429
(5,738)
Actuarial losses recognised
(364)
(364)
(364)
Net loss on cash flow hedges removed from
equity and reported in gold sales
1,758
1,758
24
1,782
Net loss on cash flow hedges
(719)
(719)
(2)
(721)
Hedge ineffectiveness
64
64
64

Realised losses on capital hedges
(18)
(18)
(18)
Loss on available-for-sale financial assets
(74)
(74)
(74)
Release on disposal of available-for-sale
financial assets
(9)
(9)
(9)
Share-based payment for share awards
118
118
118
Deferred taxation on items above
124
(243)
(119)
(119)
(Loss) profit for the year
(16,105)
(16,105)
323 (15,783)
Dividends
(324)
(324)
(131)
(455)
Acquisition of minority interest
(1)
(914)
(914)
6
(908)
Transfers to foreign currency translation reserve
(12)
12
-
-
Translation
8,713
1
(221)
8,493
142
8,634
Balance at December 2008
(22,879)

138
9,063
(347)
(355) (14,380)
790 (13,590)
Rounding of figures may result in computational discrepancies.
33

12. Retained earnings and other reserves
Foreign
Other Retained
Non-
currency
Actuarial
compre- earnings
Retained distributable translation
(losses)
hensive and other Minority
US Dollar million
earnings
reserves
reserve
gains
income reserves interests
Total
Balance at December 2006
(209)
20
241
(6)
(215)
(169)
62
(107)
Actuarial loss recognised
(14)
(14)
(14)
Net loss on cash flow hedges removed from
equity and reported in gold sales
200
200
2
202
Net loss on cash flow hedges
(166)
(166)
(2)
(168)
Hedge ineffectiveness
10
10
10
Gain on available-for-sale financial assets
1
1
1
Share-based payment for share awards
27

27
27
Deferred taxation on items above
5
-
5
5
(Loss) profit for the year
(668)
(668)
32
(636)
Dividends
(125)
(125)
(19)
(144)
Acquisition of minority interest
(1)
(12)
(12)
(13)
(25)
Transfers to foreign currency translation reserve
(6)
6
-
-
Translation
-
11
(1)
(5)
5
1
6
Balance at December 2007
(1,020)
20
258
(16)
(148)
(906)
63
(843)
Actuarial losses recognised
(44)
(44)
(44)
Net loss on cash flow hedges removed from
equity and reported in gold sales

213
213
3
216
Net loss on cash flow hedges
(87)
(87)
-
(87)
Hedge ineffectiveness
8
8
8
Realised losses on capital hedges
(2)
(2)
(2)
Loss on available-for-sale financial assets
(9)
(9)
(9)
Release on disposal of available-for-sale
financial assets
(1)
(1)
(1)
Share-based payment for share awards
14
14
14
Deferred taxation on items above
15
(27)
(12)
(12)
(Loss) profit for the year
(1,195)
(1,195)
40
(1,155)
Dividends
(41)
(41)
(17)
(58)
Acquisition of minority interest
(1)
(111)
(111)
1
(110)

Transfers to foreign currency translation reserve
(1)
1
-
-
Translation
(5)
648
8
1
652
(7)
645
Balance at December 2008
(2,368)
15
907
(37)
(38)
(1,521)
83
(1,438)
(1)
With effect from 1 July 2008, AngloGold Ashanti acquired the remaining 33% shareholding in Cripple Creek and Victor Gold Mining Company from
Golden Cycle Gold Corporation. Effective 1 September 2008, AngloGold Ashanti acquired a 70% interest in the Gansu Joint Venture and on
1 September 2007, AngloGold Ashanti acquired the remaining effective 15% minorities of Iduapriem.

13. Borrowings

On 20 November, 2008, AngloGold Ashanti Holdings plc, a wholly-owned subsidiary of AngloGold Ashanti Limited, entered into a $1 billion syndicated term loan facility agreement (the "2008 Term Facility"). The 2008 Term Facility is available to be drawn during February 2009 to redeem the $1 billion convertible bond due 27 February 2009 issued by AngloGold Ashanti Holdings plc upon its maturity, in full and for general corporate purposes.

The 2008 Term Facility is for an initial one year period from the date of first drawdown and is extendible, if required, at the option of AngloGold Ashanti Holdings plc until 30 November 2010. The amounts drawn under the 2008 Term Facility will bear an interest margin over the lenders' cost of funds (subject to a cap of 1.75 times applicable LIBOR) of 4.25% until six months after the date of first drawdown and 5.25% thereafter. Interest is payable quarterly. AngloGold Ashanti Limited, AngloGold Ashanti USA Incorporated and AngloGold Ashanti Australia Limited have each guaranteed all payments and other obligations of AngloGold Ashanti Holdings plc under the 2008 Term Facility.

AngloGold Ashanti's interest expense will increase substantially as a result of the higher interest rates and fees associated with the 2008 Term Facility. These fees will be amortized over the expected term of the 2008 Term Facility.

Rounding of figures may result in computational discrepancies.

Based on an assumed cost of funds of 100 basis points and assuming that the Term Facility is fully drawn, the effective borrowing cost (including fees and applicable margin) on the Term Facility is estimated at approximately 10% per annum. The actual interest expense in 2009, will depend upon the amount actually drawn under the 2008 Term Facility, the lenders' actual costs of funds and prevailing LIBOR rates and will be partially mitigated by the application of the proceeds from the Boddington transaction that was announced in January 2009.

Amounts outstanding under the 2008 Term Facility may be prepaid at any time prior to the maturity date. AngloGold Ashanti intends to refinance the 2008 Term Facility through one or more of the following: the proceeds of asset sales (which may include the sale of significant assets), long-term debt financing and/or the issuance of an equity linked instrument. The nature and timing of the refinancing of the 2008 Term Facility will depend upon market conditions.

14. Derivatives

The reduction of non-hedge derivatives (fair valued on the balance sheet) during 2008 is as a result of the accelerated hedge close outs implemented during the year and the implementation of FAS157.

15. Exchange rates

	Dec 2008 Unaudited	**Sep 2008** Unaudited	**Dec 2007** Unaudited
ZAR/USD average for the year to date	**8.25**	7.69	7.03
ZAR/USD average for the quarter	**9.92**	7.77	6.76
ZAR/USD closing	**9.46**	8.27	6.81
ZAR/AUD average for the year to date	**6.93**	7.02	5.89
ZAR/AUD average for the quarter	**6.67**	6.86	6.00
ZAR/AUD closing	**6.57**	6.66	5.98
BRL/USD average for the year to date	**1.84**	1.69	1.95
BRL/USD average for the quarter	**2.28**	1.67	1.78
BRL/USD closing	**2.34**	1.93	1.78
ARS/USD average for the year to date	**3.16**	3.11	3.12

ARS/USD average for the quarter
3.33
3.04 3.15
ARS/USD closing
3.45
3.12 3.15

16. Capital commitments

	Dec 2008 Unaudited	Sep 2008 Unaudited	Dec 2007 Audited	Dec 2008 Unaudited	Sep 2008 Unaudited	Dec 2007 Audited
	SA Rand million			US Dollar million		
Orders placed and outstanding on capital contracts at the prevailing rate of exchange (1)	**1,414**	2,292	2,968	**162**	277	436

(1)
Includes capital commitments relating to equity accounted joint ventures.

Liquidity and capital resources:

To service the above capital commitments and other operational requirements, the group is dependent on existing cash resources, cash generated from operations and borrowing facilities.

Cash generated from operations is subject to operational, market and other risks. Distributions from operations may be subject to foreign investment and exchange control laws and regulations and the quantity of foreign exchange available in offshore countries. In addition distributions from joint ventures are subject to the relevant board approval.

The credit facilities and other financing arrangements contain financial covenants and other similar undertakings. To the extent that external borrowings are required, the groups covenant performance indicates that existing financing facilities will be available to meet the above commitments. To the extent that any of the financing facilities mature in the near future, the group believes that these facilities can be refinanced.

Rounding of figures may result in computational discrepancies.

17. Contingent liabilities

AngloGold Ashanti's material contingent liabilities at 31 December 2008 are detailed below:

Groundwater pollution – South Africa – AngloGold Ashanti has identified a number of groundwater pollution sites at its current operations in South Africa, and has investigated a number of different technologies and methodologies that could possibly be used to remediate the pollution plumes. The viability of the suggested remediation techniques in the local geological formation in South Africa is however unknown. No sites have been remediated and present research and development work is focused on several pilot projects to find a solution that will in fact yield satisfactory results in South African conditions. Subject to the technology being developed as a remediation technique, no reliable estimate can be made for the obligation.

Deep groundwater pollution – South Africa – AngloGold Ashanti has identified a flooding and future pollution risk posed by deep groundwater, due to the interconnected nature of operations in the West Wits and Vaal River operations. AGA is involved in Task Teams and other structures to find long term sustainable solutions for this risk, together with industry partners and government. There is too little foundation for the accurate estimate of a liability and thus no reliable estimate can be made for the obligation.

Soil and Sediment Pollution – South Africa – AngloGold Ashanti identified offsite pollution impacts in the West Wits Area. This can be attributable to a long period of gold and uranium mining activity by a number of mining companies, as well as millennia of weathering of natural reef outcrops in the catchment areas. Investigations are underway to confirm, quantify and, if necessary, address these impacts. It is however too early in the process to make an estimate of the liability.

Provision of surety – South Africa – AngloGold Ashanti has provided sureties in favour of a lender on a gold loan facility with its affiliate Oro Africa (Pty) Ltd and one of its subsidiaries to a maximum value of R100m ($11m). The suretyship agreements have a termination notice period of 90 days.

Sales tax on gold deliveries – Brazil – Mineração Serra Grande S.A. (MSG), the operator of the Crixas mine in Brazil, has received two tax assessments from the State of Goiás related to payments of sales taxes on gold deliveries for export, one for the period between February 2004 and June 2005 and the other for the period between July 2005 and May 2006. The tax authorities maintain that whenever a taxpayer exports gold mined in the state of Goiás, through a branch located in a different Brazilian State, it must obtain an authorisation from the Goiás State Treasury by means of a Special Regime Agreement (Termo de Acordo re Regime Especial – TARE). The MSG operation is co-owned with Kinross Gold Corporation. AngloGold Ashanti Brasil Mineração Ltda. manages the operation and its attributable share of the first assessment is approximately $34m Although MSG requested the TARE in early 2004, the TARE, which authorised the remittance of gold to the company's branch in Minas Gerais specifically for export purposes, was only granted and executed in May 2006.

In November 2006 the administrative council's second chamber ruled in favour of MSG and fully cancelled the tax liability related to the first period. The State of Goiás has appealed to the full board of the State of Goiás tax administrative council. The second assessment was issued by the State of Goiás in October 2006 on the same grounds as the first one, and the attributable share of the assessment is approximately